

Annual Comprehensive Financial Report



City of Minneapolis, Minnesota

For the fiscal Year Ended December 31, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF
MINNEAPOLIS, MINNESOTA

For the Fiscal Year Ended December 31, 2024

FINANCE AND PROPERTY SERVICES DEPARTMENT

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Transmittal Letter	iv
Organizational Chart	ix
Mayor and Council	x
Certificate of Achievement for Excellence in Financial Reporting	xi

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements	
Governmental Funds – Balance Sheet	31
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities	32
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Governmental Activities	34
Proprietary Funds – Statement of Net Position	35
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position	37
Proprietary Funds – Statement of Cash Flows	38
Custodial Funds - Statement of Fiduciary Net Position	39
Custodial Funds - Statement of Changes in Fiduciary Net Position	40
Combining Statement of Net Position – Discrete Component Units	41
Combining Statement of Activities – Discrete Component Units	42
Notes to the Financial Statements:	
Note 1 - Summary of Significant Accounting Policies	43
Note 2 - Deposits and Investments	61
Note 3 - Receivables	68
Note 4 - Capital Assets	69
Note 5 - Long-Term Debt	72
Note 6 - Industrial, Commercial, and Housing Revenue Bonds and Notes	76
Note 7 - Deferred Inflows of Resources	77
Note 8 - Interfund Transactions	77
Note 9 - Net Position/Fund Balances	80
Note 10 - Defined Benefit Pension Plans	81
Note 11 - Defined Contribution Plan – CPED	92
Note 12 - Postemployment Benefits Plan	92
Note 13 - Vacation, Severance, Sick and Compensatory Time Pay	97
Note 14 - Self-Insured Employee Health Plans	98
Note 15 - Risk Management and Claims	98
Note 16 - Cleanup of Hazardous Materials	99
Note 17 - Tax Abatements	99
Note 18 - Other Commitments and Contingencies	99

TABLE OF CONTENTS

Required Supplementary Information Other Than Management’s Discussion and Analysis:	Page
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	101
Community Planning and Economic Development Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	102
Grants - Federal Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	103
HUD Consolidated Plan Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	104
Schedule of Employer Contributions PERA General Employees Retirement Plan:	
City of Minneapolis	105
Municipal Building Commission	105
Schedule of Proportionate Share of Net Pension Liability PERA General Employees Retirement Plan:	
City of Minneapolis	106
Municipal Building Commission	106
Schedule of City of Minneapolis’ Contributions PERA Public Employees Police and Fire Plan	107
Schedule of City of Minneapolis’ Proportionate Share of Net Pension Liability PERA Public Employees Police and Fire Plan	107
Schedule of City of Minneapolis’ Contributions Teachers Retirement Association (Special Funding Situation)	108
Schedule of City of Minneapolis’ Proportionate Share of Net Pension Liability Teachers Retirement Association (Special Funding Situation)	108
Schedule of Changes in Total OPEB Liability and Related Ratios:	
City of Minneapolis	109
Municipal Building Commission	109
Notes to the Required Supplementary Information	110
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Governmental Funds Combining Balance Sheet – Non-Major Funds	124
Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Funds	125
Special Revenue Funds Combining Balance Sheet – Non-Major Funds	126
Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Funds	128
Budgetary Comparison Schedules:	
Arena Reserve Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	130
Board of Estimate and Taxation Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	131
Downtown Assets Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	132
Convention Center Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	133
Self-Managed Special Service Districts Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	134
Employee Retirement Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	135
Grants – Other Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	136
Police Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	137

TABLE OF CONTENTS

Supplementary Information:	Page
Combining and Individual Fund Statements and Schedules:	
Budgetary Comparison Schedules (continued)	
Neighborhood and Community Relations Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	138
Debt Service Funds Combining Balance Sheet – Non-Major Funds	139
Debt Service Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Funds	140
Internal Service Funds Combining Statement of Net Position	141
Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	143
Internal Service Funds Combining Statement of Cash Flows	144
Custodial Funds - Statement of Fiduciary Net Position	145
Custodial Funds - Statement of Changes in Fiduciary Net Position	146
Schedule of Governmental Activity Bonds and Notes	147
Schedule of Business–Type Activity Bonds and Notes	150
Schedule of Expenditures of Federal Awards - All Fund Types	152
Notes to the Schedule of Expenditures of Federal Awards	155
Municipal Building Commission:	
Balance Sheet and Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide State of Net Position – Governmental Activities	156
Statement of Revenues, Expenditures, and Changes in Fund Balances and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Governmental Activities	157

STATISTICAL SECTION

Statistical Section (Unaudited)	
Statistical Section Index	159
Schedule 1 - Net Position by Component	160
Schedule 2 - Changes in Net Position	161
Schedule 3 - Fund Balance, Governmental Funds	163
Schedule 4 - Changes in Fund Balance, Governmental Funds	164
Schedule 5 - Assessed Value and Actual Value of Taxable Property	165
Schedule 6 - Direct and Overlapping Property Tax Rates	166
Schedule 7 - Principal Property Tax Payers	167
Schedule 8 - Property Tax Levies and Collections	168
Schedule 9 - Outstanding Debt by Type and Per Capita	169
Schedule 10 - Ratios of Net General Bonded Debt Outstanding	170
Schedule 11 - Direct and Overlapping Governmental Activities Debt	171
Schedule 12 - Legal Debt Margin Information	172
Schedule 13 - Pledged-Revenue Coverage	173
Schedule 14 - Demographic and Economic Statistics	178
Schedule 15 - Principal Employers	179
Schedule 16 - Full-time Equivalent City Government Employees by Function	180
Schedule 17 - Operating Indicators by Function/Program	181
Schedule 18 - Capital Assets Statistics by Function/Program	183

June 30, 2025

The Honorable Mayor and Members of the City Council and Citizens of the City of Minneapolis:

TRANSMITTAL

We are pleased to present the Annual Comprehensive Financial Report (the report) for the City of Minneapolis (the City) for the year ended December 31, 2024. This report presents the financial position of the City and the results of its operations for the year 2024. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA) and other rule-making bodies, and audited in accordance with generally accepted auditing standards by the Office of the State Auditor (OSA).

The City's management is responsible for the accuracy of the financial statements and the completeness and fairness of their presentation in the report. To the best of our knowledge, the report is accurate in all material respects and fairly sets forth the financial position and results of City operations as measured by the financial activity of its various funds. We believe the report contains all disclosures necessary for the reader to understand the City's financial affairs.

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

INDEPENDENT AUDIT

Minnesota law requires that the Office of the State Auditor perform the City's annual audit. The OSA's report on the City's financial statements is based on its audit in accordance with generally accepted auditing standards. The State Auditor issued an unmodified or "clean" opinion on the City's financial statements for the year ended December 31, 2024. The State Auditor's opinion is included as page one through four in the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated audit designed to meet the requirements of the Federal Single Audit Act. The State Auditor is required to report not only on the fair presentation of the financial statements, but also on the City's internal controls over financial reporting, and compliance with legal requirements, with special emphasis on internal controls and compliance requirements involving the administration of Federal awards. These reports are included in the Office of the State Auditor's separate Management and Compliance Report.

STEWARDSHIP

The City prepares financial reports to promote accountability. The City's elected officials are accountable to the citizens, and City management is accountable to the elected officials. This report provides citizens and other interested parties one mechanism to assess whether the elected and appointed officials in the City have faithfully carried out their role as good stewards of the City's resources.

INTERNAL CONTROLS

The City's management is responsible for establishing a comprehensive framework of internal controls. Because the cost of internal controls should not exceed anticipated benefits, and because the costs and benefits of internal controls are subject to estimates and judgments by management, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

We believe that the City's internal controls reasonably safeguard assets, assure that financial transactions are properly recorded and reported, and ensure compliance with applicable federal and state laws and regulations.

To ensure independence, the Office of the State Auditor has full and free access to meet with the City Council to discuss the results of their assessment of the adequacy of internal accounting controls and the quality of the City's financial reporting.

THE REPORTING ENTITY

The City organizes its financial activities into a variety of funds. In accordance with GASB Statement No. 61, the City's financial statements include all funds of the City ("primary government") as well as its component units. The primary government represents all funds under the ultimate control of the Mayor and City Council. Component units are separate legal entities. While legally separate, component units are in substance a part of City government. The City's financial statements would be misleading without incorporating component unit information. Some component units are reported in a separate column of the City's financial statements set apart from the rest of the primary government. These component units are discretely presented in the financial statements because, while the City is financially accountable for them, they do not meet the criteria for a blended component unit. The Minneapolis Park and Recreation Board, the Municipal Building Commission (MBC), and Meet Minneapolis are discretely presented component units in the City's financial statements. Only the Board of Estimate and Taxation (BET) meets the criteria to be reported as a blended component unit.

THE CITY AND ITS SERVICES

City Profile

The City of Minneapolis is located in Hennepin County. It is the largest city in Minnesota and serves as the center of finance, industry, trade, and transportation for the Upper Midwest region of the United States.

Minneapolis encompasses 57.4 square miles, including five square miles of inland water. The City rests along the banks of the nation's largest river, the Mississippi. Minneapolis is known as "The City of Lakes," featuring 22 lakes and 170 city parks. The Minneapolis Park System is one of the City's most prized assets and considered one of the premier park systems in the United States. Properties of the Minneapolis Park & Recreation Board total nearly 6,732 acres of land and water and include full-service neighborhood recreation centers.

Riding a bicycle is one of the more popular ways of getting around Minneapolis year-round. The City is consistently ranked as one of the best bicycling cities in the nation including being named to numerous lists for bike-friendly amenities and infrastructure. The city has also been awarded with the Gold Level Bicycle Friendly Community Award from the League of American Bicyclists. Minneapolis is also home to such popular walking destinations as Nicollet, (formally known as Nicollet Mall), the Stone Arch Bridge, the Grand Rounds, and Milwaukee Avenue. In addition to the 57 miles of parkways, nearly 92% of the City's streets have sidewalks on both sides of the street providing over 1,900 miles of sidewalks. The City has developed both a Bicycle Master Plan and Pedestrian Master Plan for long range planning to both grow and support these low-polluting, cost effective and healthy ways to travel around the City. In 2016, the City Council approved a 20-year plan to provide a progressively increasing amount of funding per year, ranging from \$33.0 million to \$65.1 million to ensure funding of the City's streets and neighborhood parks including its bikeways and pedestrian programs.

There are 87 residential neighborhoods within the City offering a broad range of housing to more than 176,000 households. The City is well known for its concerned and active citizenry which has engaged in partnerships with government and business to improve neighborhoods and create economic opportunities. Minneapolis is second only to New York City in per capita attendance at theater and arts events. Minneapolis has more than thirty theaters; the Guthrie Theater and the Children's Theatre Company are recognized as two of the country's best. The City boasts two world-class art museums and is home to the internationally acclaimed Minnesota Orchestra.

Minneapolis' population continues to grow. As of the 2020 census, Minneapolis is home to an estimated 429,985 people. From 2010 to 2020, the population within the City grew at a rate of 12.4 percent. Children, youth under 18, and seniors aged 65 and above make up 6.4 percent and 19.8 percent, and 9.9 percent of the population respectively. African Americans comprise 18.9 percent of the population, and Hispanic Americans make up 9.6 percent of the population. People of American Indian and Alaska Native descent comprise 1.4 percent of the population, and Asian Americans make up 5.9 percent of the population. People of two or more races make up 6.0 percent of the total population.

As the major city within the larger metropolitan area, Minneapolis enjoys a strong and highly diverse business foundation of companies involved in manufacturing supercomputers, electronics, medical instruments, milling, machine manufacturing, food processing and graphic arts. In addition, with seven hospitals and the University of Minnesota, Minneapolis is a nationally known medical center that produces many high technology medical products.

Most of the preceding, and additional information, is available from the Metropolitan Council and the US Census Bureau.

Form of Government and Organization

In the November 2021 election, the citizens of Minneapolis passed an amendment to the City's Charter changing the government structure from Mayor-Council to Executive Mayor-Legislative Council. This shift in responsibilities took effect officially on December 3rd, 2021, with the full scope of operating changes included for the first time in the 2023 budget cycle. For year ending December 31, 2023, the City operated under this new structure for the first time. The Mayor is now the chief executive officer over departments and the City Council is the legislative body that adopts local laws, makes policy, and oversees programs.

The Mayor and 13 City Council Members from individual wards are typically elected for terms of four years, without limit on the number of terms that may be served. Due to redistricting, the Council members were up for election again in November 2023 after being up for election just two years prior in 2021. Going forward, they will resume their four-year terms.

City Council

Under the charter amendment, the City Council governs Minneapolis through its legislative power over City functions. The Council levies taxes, enacts ordinances and resolutions, licenses businesses, and exercises budgetary control over City departments.

Council members represent the interests of their constituents. They respond to inquiries, suggestions and complaints regarding City programs and services and meet regularly with constituents to discuss developments affecting the ward they represent, and the City as a whole.

Mayor

The Mayor is the chief executive officer of the city with responsible for a variety of leadership duties, including: appointing representatives to a variety of agencies and commissions; nominating department head candidates for Executive Committee and Council approval; proposing the annual operating and capital budgets; and reviewing, approving, or vetoing all Council actions. The Mayor, however, does not vote on Council actions.

Departments

The City organizes itself by departments, which are managed by department heads (see the City of Minneapolis organization chart at the end of this transmittal letter). These City departments provide a broad range of services including: police; fire; health services; public works; assessment of property; attorney services; civil rights; planning; regulatory services; economic development; and management support services.

FINANCIAL POLICES

Each year during the budget process, the Council adopts a comprehensive set of financial policies. Of particular relevance to the City budget process is the policy to maintain a minimum unassigned fund balance in the General Fund equal to 17% of the following year's General Fund budgeted expenditures. This balance is to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, unexpected increases in service delivery costs, or unexpected revenue shortfalls. The unassigned fund balance of the General Fund at December 31, 2024, was \$139.8 million, which is \$27.1 million more than policy requires. Additional information regarding the 2024 fund balance in the General Fund is available in the MD&A.

Separate from the unassigned General Fund reserve balance, the City also has a policy to budget an operating budget contingency in the General Fund of not less than 1% of all budgeted General Fund expenditures in each of the applicable years planned for in the City's Five-Year Financial Direction. The contingency reserve was \$6.0 million in 2023 and in 2024.

ECONOMIC CONDITION AND OUTLOOK

Prior to the emergence of the COVID-19 pandemic in early 2020, the City's financial projection was on a continued upward trend. In response to the pandemic, during 2020, the City engaged in two rounds of budgetary reductions, temporary spending and hiring freezes, and employee furloughs. During 2021, the City continuously monitored and adjusted activity to ensure an appropriate response to the ongoing pandemic. The City was awarded \$271.2 million in funding through the Coronavirus State and Local Fiscal Recovery Funds as part of the American Rescue Plan Act. The City continued to monitor and adjust financial projections throughout 2022 to 2024 to ensure proper funding for continued service needs. A detailed discussion and analysis of the City's overall financial condition during the fiscal year ended 2024 is included as part of the MD&A. The City utilized the remaining American Rescue Plan Act funding in 2024.

LONG-TERM FINANCIAL PLANNING

The City takes a pro-active, long-term perspective in planning for the future. The City's approach and policies regarding long-term financial planning are discussed in detail in the MD&A section of this report.

DEBT MANAGEMENT

The primary goal of the City's debt management practices is to maintain its ability to access capital markets at the lowest possible cost (interest rate) without endangering its ability to finance essential services. The City's conservative financial practices have earned its general obligation debt the highest ratings available from national bond rating services as shown below. The Fitch Rating Services upgraded the City's rating in August of 2023. Moody's rated the City for the first time in December 2024.

Fitch – AAA
S&P Global Ratings – AAA
Moody's – Aaa

AWARDS AND ACKNOWLEDGEMENTS

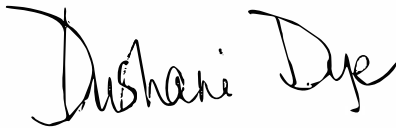
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. A Certificate of Achievement is valid for a period of one year only. The City has received this prestigious award for 50 years.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for review.

The GFOA has also awarded the Distinguished Budget Presentation Award to the City for its budget documentation for the fiscal year ended December 31, 2024. The Award is valid for a period of one year only. In order to be awarded a Distinguished Budget Presentation Award, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool. We believe our current budget documentation continues to conform to the Distinguished Budget Presentation Award requirements.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the City's Finance & Property Services Department. In addition, we would like to thank the Office of the State Auditor for its thoroughness and professionalism in conducting the City's audit. Finally, we would like to thank the Mayor and members of the City Council for their interest in conducting the financial operations of this City in a responsible and progressive manner.

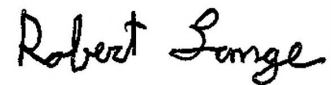
Respectfully submitted,



Dushani Dye
Chief Financial Officer

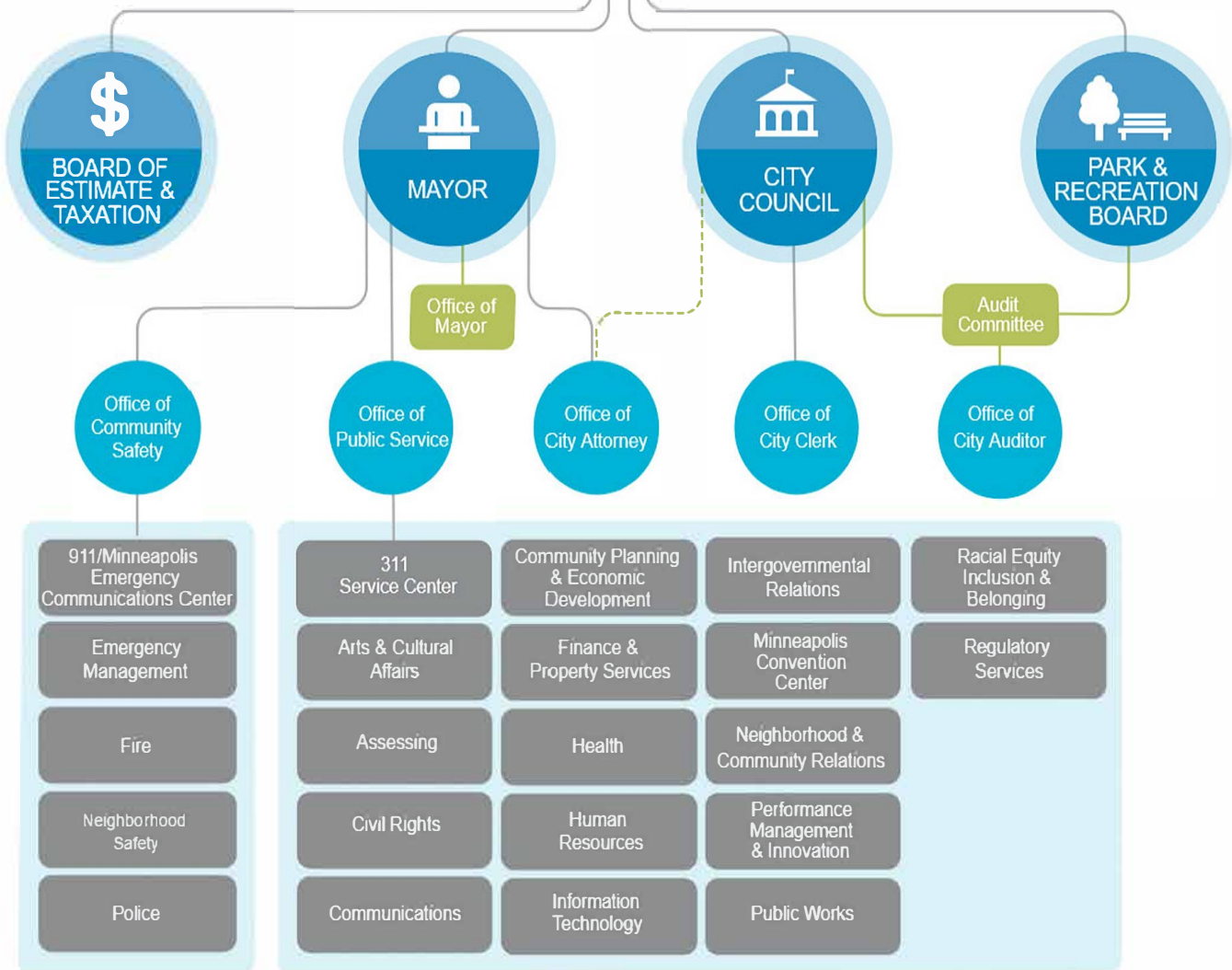


George Hardgrove
Controller



Robert Lange
Deputy Controller

RESIDENTS OF MINNEAPOLIS



MAYOR AND COUNCIL
CITY OF MINNEAPOLIS, MINNESOTA
2024

Mayor

JACOB FREY

CITY COUNCIL

Ward 1

ELLIOTT PAYNE

President

Ward 2

ROBIN WONSLEY

Ward 3

MICHAEL RAINVILLE

Ward 4

LATRISHA VETAW

Ward 5

JEREMIAH ELLISON

Ward 6

JAMAL OSMAN

Ward 7

KATIE CASHMAN

Ward 8

ANDREA JENKINS

Ward 9

JASON CHAVEZ

Ward 10

AISHA CHUGHTAI

Vice President

Ward 11

EMILY KOSKI

Ward 12

AURIN CHOWDHURY

Ward 13

LINEA PALMISANO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Minneapolis
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



THIS PAGE IS INTENTIONALLY BLANK



Independent Auditor's Report

The Honorable Jacob Frey, Mayor
and Members of the City Council
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Minneapolis, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Minneapolis as of December 31, 2024, 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.

We did not audit the financial statements of Meet Minneapolis, which is a discrete component unit and 1.0 percent, 0.3 percent, and 6.5 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. We also did not audit the financial statements of the Minneapolis Parks Foundation, which is a component unit of the Minneapolis Park and Recreation Board discrete component unit and 2.9 percent, 0.9 percent, and 1.0 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. The statements of Meet Minneapolis and the Minneapolis Parks Foundation, which were prepared in accordance with financial reporting standards for nongovernmental entities issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Meet Minneapolis and the Minneapolis Parks Foundation, which conform those financial statements to accounting principles generally accepted in the United States of America for state and local governments. Our opinion, insofar as it relates to the amounts included for Meet Minneapolis and the Minneapolis Parks Foundation, prior to these conversion adjustments, is based solely on the reports of the other auditors. The financial statements of Meet Minneapolis and the Minneapolis Parks Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical

requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Meet Minneapolis and the Minneapolis Parks Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter – Correction of Material Misstatement in Previously Issued Financial Statements

As discussed in Note 1.R to the financial statements, the previously issued 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedules for the General Fund and each major special revenue fund, PERA retirement plan schedules, Teachers Retirement Association schedules, Schedules of Changes in Total OPEB Liability and Related Ratios, and Notes to the Required Supplementary Information 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 Minneapolis's basic financial statements. The Combining and Individual Fund Statements and Schedules; Schedule of Governmental Activity Bonds and Notes; Schedule of Business-Type Activity Bonds and Notes; Schedule of Expenditures of Federal Awards – All Fund Types and related notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Municipal Building Commission financial statements 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 Supplementary Information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

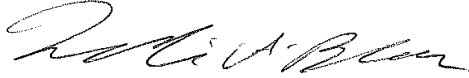
Management is responsible for the other information included in the annual financial report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated June 25, 2025, on our consideration of the City of Minneapolis's and the Municipal Building Commission component unit's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports 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 Minneapolis's or the Municipal Building Commission component unit's internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in

accordance with *Government Auditing Standards* in considering the City of Minneapolis's and the Municipal Building Commission component unit's internal control over financial reporting and compliance. The reports do not include the Minneapolis Park and Recreation Board component unit, which was issued as a separate report. The financial statements of the Meet Minneapolis component unit and the Minneapolis Parks Foundation, a component unit of the Minneapolis Park Board component unit, were not audited in accordance with *Government Auditing Standards* and, accordingly, the reports do not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Meet Minneapolis and the Minneapolis Parks Foundation.



Julie Blaha
State Auditor



Chad Struss, CPA
Deputy State Auditor

June 25, 2025

**CITY OF MINNEAPOLIS
MANAGEMENT’S DISCUSSION AND ANALYSIS
REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

This section of the Annual Comprehensive Financial Report (ACFR) for the City of Minneapolis presents a discussion and analysis of the City’s financial performance during the fiscal year ended December 31, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the City’s basic financial statements following this section. **All dollar amounts are expressed in thousands unless otherwise indicated.**

FINANCIAL HIGHLIGHTS

- At the close of the 2024 calendar year, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$3,041,870 (net position). Of this amount, \$2,627,743 is the City’s net investment in capital assets and \$380,987 is restricted for specific purposes (restricted net position) leaving \$33,140 in unrestricted net position.
- The City’s total net position increased by \$134,738 in 2024. Governmental activities increased the City’s net position by \$86,130 and business-type activities increased the net position by \$48,608.
- As of December 31, 2024, total fund balance in the General Fund was \$209,175, of which \$15,025 was restricted, \$54,381 was assigned, and \$139,769 was unassigned.
- The City’s total long-term bond and note liability increased by \$18,094 from the prior year. Total bonds and notes issued in 2024 was \$119,179. Total debt retirement was \$101,085. All debt issuance in 2024 was for bonds for a variety of special assessment improvements, general infrastructure, sanitary and storm sewer, and water.

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 include three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the basic financial statements. This report also contains required and other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements—Government-wide financial statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business.

The statement of net position presents information on all City assets, deferred outflows, liabilities, and deferred inflows. The difference between assets plus deferred outflows and liabilities plus deferred inflows is 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 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of these costs through user fees and charges (business-type activities). The governmental

activities of the City include general government, public safety, public works, culture and recreation, health and welfare, and community planning and economic development. The business-type activities of the City include sanitary sewer, stormwater, solid waste and recycling, water treatment and distribution services, municipal parking, and community planning and economic development.

The government-wide financial statements include not only the City of Minneapolis (known as the primary government), but also legally separate entities for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's basic financial statements to be misleading or incomplete. For the City of Minneapolis, component units are included in the basic financial statements of the City and consist of legally separate entities which provide services almost entirely to the primary government (blended component units) or for which the City is financially accountable as defined by Generally Accepted Accounting Principles (GAAP) (discretely presented component units). The City's blended component unit is the Board of Estimate and Taxation (BET). The City's discretely presented component units include the Minneapolis Park and Recreation Board (Park Board), the Municipal Building Commission (MBC), and Meet Minneapolis.

The government-wide financial statements can be found on pages 29-30 of this report.

Fund Financial Statements—A fund is a grouping of related accounts that are 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 finance-related legal compliance. All funds in the City can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Minneapolis maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Planning and Economic Development Special Revenue Fund, the Grants Federal Special Revenue Fund, the HUD Consolidated Plan Special Revenue Fund, the Permanent Improvement Capital Projects Fund, and the Special Assessment Debt Service Fund, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Other Supplemental Information section of this report beginning on page 124.

The governmental funds' financial statements can be found on pages 31-34 of this report.

Proprietary Funds—The City of Minneapolis maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Minneapolis uses the enterprise funds to account for its sanitary sewer, stormwater, water treatment and distribution services, municipal parking, solid waste and recycling, and community planning and economic development (CPED) activities. The City uses internal service funds to account for its property management services, fleet services, information technology services, central and traffic stores inventories,

engineering lab testing and asphalt and cement services, workers' compensation, unemployment benefits, and self-insurance related services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The proprietary funds' financial statements can be found on pages 35-38 of this report.

Custodial Funds—Custodial funds are used to account for resources held for the benefit of parties outside of the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the City.

The custodial fund financial statements can be found on page 39-40 of this report.

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

The notes to the financial statements can be found on pages 43-99 of this report.

Required Supplemental Information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

The required supplemental information can be found on pages 101-121 of this report.

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the required supplemental information beginning on page 124.

This Section Left Blank Intentionally

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position—The following table presents the primary government’s net position as of December 31, 2024, with a comparison to 2023.

Statement of Net Position December 31, 2024, and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 1,335,080	\$ 1,351,409	\$ 162,424	\$ 164,047	\$ 1,497,504	\$ 1,515,456
Capital assets, net	2,040,328	1,949,414	1,432,949	1,385,381	3,473,277	3,334,795
Total assets	<u>\$ 3,375,408</u>	<u>\$ 3,300,823</u>	<u>\$ 1,595,373</u>	<u>\$ 1,549,428</u>	<u>\$ 4,970,781</u>	<u>\$ 4,850,251</u>
Deferred outflows of resources	\$ 314,847	\$ 399,681	\$ 16,401	\$ 22,461	\$ 331,248	\$ 422,142
Current and other liabilities	\$ 112,221	\$ 174,682	\$ 22,619	\$ 21,462	\$ 134,840	\$ 196,144
Long-term liabilities	1,359,926	1,377,366	93,009	406,081	1,752,935	1,783,447
Total liabilities	<u>\$ 1,472,147</u>	<u>\$ 1,552,048</u>	<u>\$ 415,628</u>	<u>\$ 427,543</u>	<u>\$ 1,887,775</u>	<u>\$ 1,979,591</u>
Deferred inflows of resources	\$ 356,371	\$ 372,849	\$ 16,013	\$ 12,811	\$ 372,384	\$ 385,660
Net position						
Net investment in capital assets	\$ 1,506,791	\$ 1,478,541	\$ 1,120,952	\$ 1,074,632	\$ 2,627,743	\$ 2,553,173
Restricted net position	354,492	330,137	26,495	25,809	380,987	355,946
Unrestricted net position	454	(33,071)	32,686	—	33,140	(1,987)
Total net position	<u>\$ 1,861,737</u>	<u>\$ 1,775,607</u>	<u>\$ 1,180,133</u>	<u>\$ 1,080,441</u>	<u>\$ 2,907,132</u>	<u>\$ 2,907,132</u>

*Governmental activities balances were restated for adjustment to liabilities for resources and related expenditures

The largest portion of the City’s net position reflects its \$2,627,743 investment in capital assets (e.g. land, buildings, infrastructure, 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. As a result, these assets are not available for future spending. Although the City’s investments in capital assets are 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.

Restricted net position increased \$10,861 to \$380,987 in 2024 in part due to the increase in capital improvements funds held in governmental funds to be used in future capital projects. Net position is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation (City ordinances).

The remaining \$33,140 represents the unrestricted portion of the City’s net position. This is an increase of \$35,127 from the 2023 unrestricted net position. The increase in unrestricted net position is the result of a multitude of factors, including an increase in overall net position of the city offset by additional restrictions to net position as noted above. As noted in the following section, overall net position of the City increased by \$134,738 in 2024.

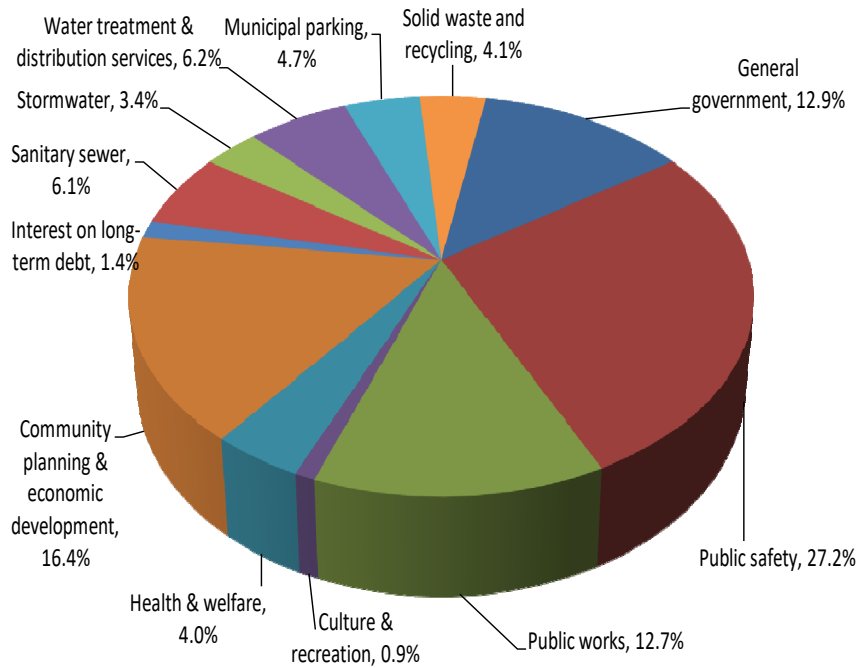
Statement of Activities—The following table presents the changes in net position for governmental and business-type activities. The governmental activities net position increased by \$86,130 while the business-type activities net position increased by \$48,608.

Statement of Activities For the Years Ended December 31, 2024, and 2023						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 175,126	\$ 130,479	\$ 355,657	\$ 340,257	\$ 530,783	\$ 470,736
Operating grants and contributions	230,500	230,554	14,091	4,407	244,591	234,961
Capital grants and contributions	5,275	7,433	-	-	5,275	7,433
General revenues:						
General property tax and fiscal disparities	393,836	383,051	-	-	393,836	383,051
Property tax increment	982	491	-	-	982	491
Franchise taxes	43,973	40,122	338	356	44,311	40,478
Local taxes	87,328	77,608	-	-	87,328	77,608
Local government aid - unrestricted	74,934	65,518	855	3	75,789	65,521
Grants and contributions not restricted to programs	13,967	692	734	3	14,701	695
Unrestricted interest and investment earnings	35,708	47,900	636	1,108	36,344	49,008
Other	-	-	76	113	76	113
Total revenues	1,061,629	983,848	372,387	346,247	1,434,016	1,330,095
Expenses						
General government	166,241	139,362	-	-	166,241	139,362
Public safety	354,768	361,983	-	-	354,768	361,983
Public works	164,515	142,916	-	-	164,515	142,916
Culture and recreation	11,029	14,532	-	-	11,029	14,532
Health and welfare	51,675	36,191	-	-	51,675	36,191
Community planning and economic development	212,458	212,592	1,266	1,372	213,724	213,964
Interest on long-term debt	18,666	19,054	-	-	18,666	19,054
Sanitary sewer	-	-	79,226	62,338	79,226	62,338
Stormwater	-	-	44,638	39,020	44,638	39,020
Water treatment and distribution services	-	-	81,087	76,673	81,087	76,673
Municipal parking	-	-	60,954	50,466	60,954	50,466
Solid waste and recycling	-	-	52,755	37,947	52,755	37,947
Total expenses	979,352	926,630	319,926	267,816	1,299,278	1,194,446
Excess (deficiency) before transfers	82,277	57,218	52,461	78,431	134,738	135,649
Transfers	3,853	34,788	(3,853)	(34,788)	-	-
Change in net position	86,130	92,006	48,608	43,643	134,738	135,649
Net position - Beginning	1,775,607	1,683,601	1,131,525	1,087,882	2,907,132	2,771,483
Net position - Ending	\$ 1,861,737	\$ 1,775,607	\$ 1,180,133	\$ 1,131,525	\$ 3,041,870	\$ 2,907,132

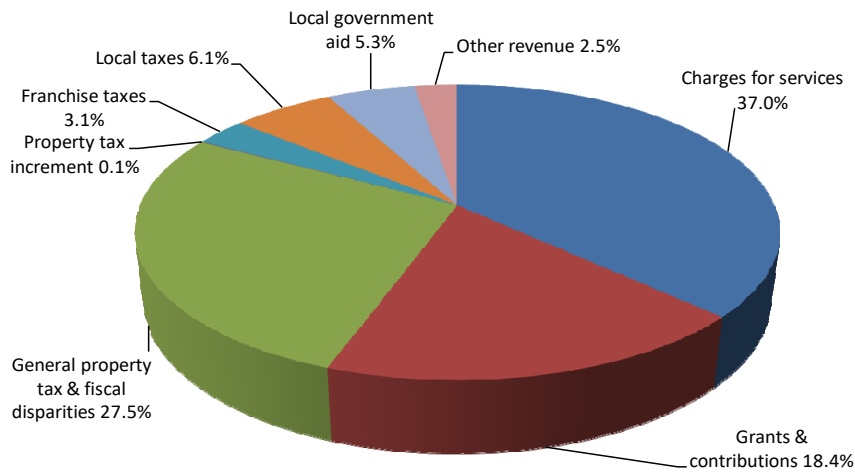
* Governmental activities were restated for adjustment to land held for resale and related expenditures

Below are graphs showing the breakdown of government-wide expenses and revenues by category for 2024:

Government-wide Expenses



Government-wide Revenues

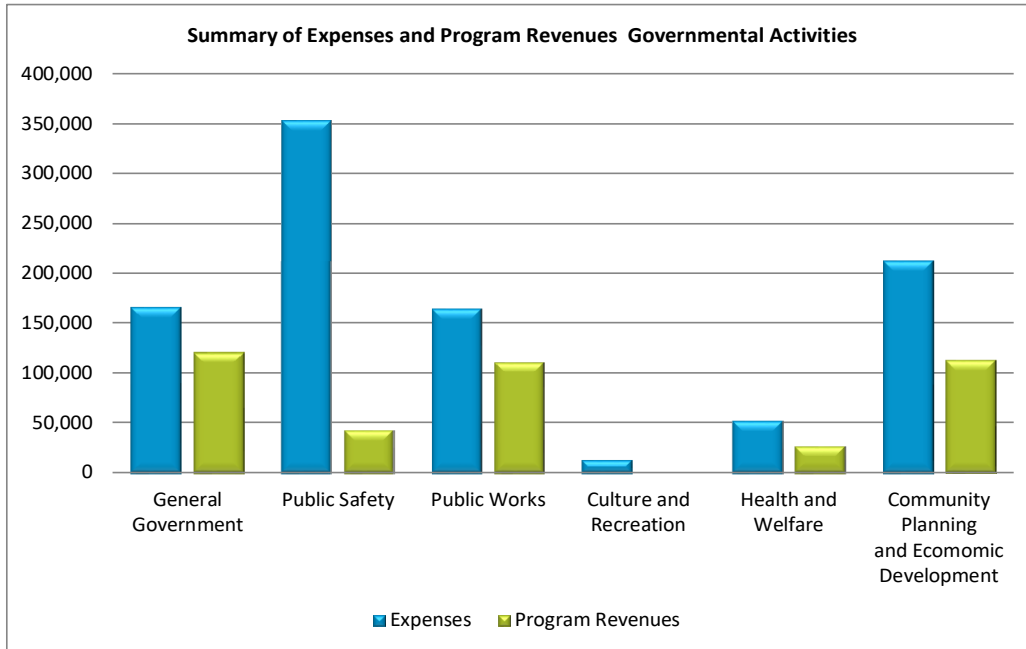


Governmental Activities—Governmental activities increased the City’s net position by \$86,130 compared to an increase of \$106,186 in 2023. Total governmental revenue increased by 7.9% between 2023 to 2024 from \$983,848 to \$1,061,629. Total expenses increased by 7.3% over that same period from \$912,450 in 2023 to \$979,352 in 2024. The increase in expenses is attributable mainly to increases in general government, public works, health and welfare, and community planning and economic development. General government expenses increased due to more spending on personnel and projects as the City’s operations continue to return to pre-pandemic levels. In addition, public works costs increased spending on improvement projects as well as reclassifying activity from general government to public works. Health and welfare increased due to additional state and local grant funding for public health initiatives. Community planning and economic development saw increased spending related to development and housing initiatives. A significant expense in the statement of activities, compared to fund statements, is depreciation and amortization. Current year depreciation and amortization for governmental activities is \$92,837.

Program revenue saw an increase in charges for services primarily due to no longer eliminating the activity between governmental and business type to enhance transparency of costs to operate business type activities. Additionally, the city continues to respond to the COVID-19 pandemic leading to variability in revenues from various sources. Charges for services increased by \$44,647 or 34.2% during 2024. Operating grants remained consistent between years as the city recognized the remaining American Rescue Plan Act funding sources. General revenues cover any net expense after program specific revenues are applied. General revenues increased \$35,346 in total. General property tax revenues and fiscal disparities increased by \$10,785, local taxes increased by \$9,720, and local government aid increased \$9,416. This was offset by a decrease in unrestricted interest and investment earnings by \$12,192.

**Summary of expenses and program revenues - Governmental Activities
For the Year ended December 31, 2024**

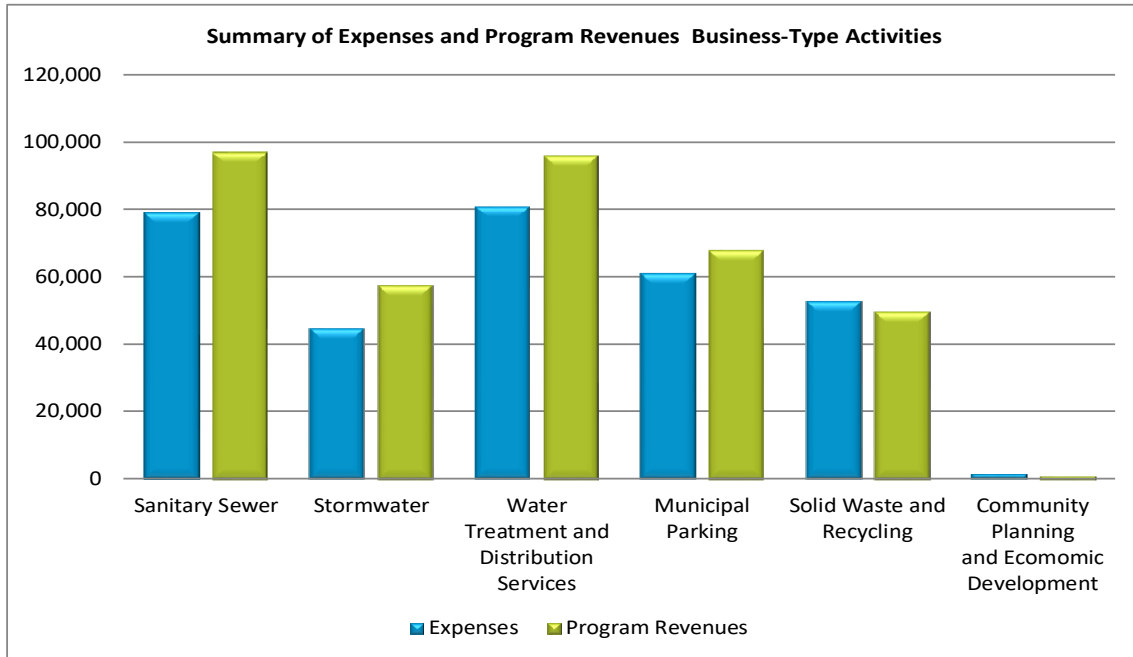
Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue by Program
General government	\$ 166,241	\$ 120,002	\$ (46,239)
Public safety	354,768	42,135	(312,633)
Public works	164,515	110,052	(54,463)
Culture and recreation	11,029	-	(11,029)
Health and welfare	51,675	26,303	(25,372)
Community planning and economic development	212,458	112,409	(100,049)
Interest on long-term debt	18,666	-	(18,666)
	<u>\$ 979,352</u>	<u>\$ 410,901</u>	<u>\$ (568,451)</u>
General revenues and transfers supporting governmental activities			654,581
Change in net position			86,130
Net position - January 1, 2024 (restated, see Note 1R)			1,775,607
Net position - December 31, 2024			<u>\$ 1,861,737</u>



Business-Type Activities—Business-type activities increased the City’s net position by \$48,608 compared with an increase of \$43,643 in 2023. Detailed analysis of the changes in expense and revenue for business-type activities can be found in the individual fund analysis in the following pages.

**Summary of expenses and program revenues - Business-Type Activities
For the Year ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue by Program
Sanitary sewer	\$ 79,226	\$ 97,327	\$ 18,101
Stormwater	44,638	57,520	12,882
Water treatment and distribution services	81,087	96,171	15,084
Municipal parking	60,954	67,974	7,020
Solid waste and recycling	52,755	49,793	(2,962)
Community planning and economic development	1,266	963	(303)
	<u>\$ 319,926</u>	<u>\$ 369,748</u>	<u>\$ 49,822</u>
General revenues and transfers supporting business-type activities			(1,214)
Change in net position			48,608
Net position - January 1, 2024			1,131,525
Net position - December 31, 2024			<u>\$ 1,180,133</u>



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds—The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For 2024, six governmental funds, including the General Fund, are presented as major funds. These funds include the Community Planning and Economic Development Special Revenue Fund, Grants Federal Special Revenue Fund, HUD Consolidated Plan Special Revenue Fund, the Permanent Improvement Capital Project Fund, and the Special Assessment Debt Service Fund. On December 31, 2024, the City's governmental funds reported a combined ending fund balance of \$752,768, an increase of \$16,150 compared with the prior year ending fund balance (as restated, see Note 1R). Approximately 15.9% of this total amount, or \$119,633, constitutes unassigned fund balance, which is available for spending at the City's discretion.

The remainder of the fund balance is classified as follows: \$354,492 is restricted for debt service, community planning and economic development, capital improvements, grants, and law enforcement legal requirements; and \$278,643 is assigned for specific purposes not meeting a more restricted criteria for general government, community planning and economic development programs, neighborhood and community relations, public safety programs, pension obligations, and capital improvements. Additional details on fund balance can be found in Note 9.

The following table provide an overview of revenues by source, and expenditures by function for all governmental funds:

	Revenue by Source Governmental Funds				Increase / Decrease
	2024		2023		
	Amount	Percent of Total	Amount	Percent of Total	Amount
Revenue by Source:					
Taxes	\$ 525,945	49.74	% \$ 501,596	48.57	% \$ 24,349
Licenses	50,772	4.80	45,801	4.44	4,971
Intergovernmental revenues	294,445	27.84	289,506	28.04	4,939
Charges for services and sales	81,037	7.66	78,386	7.59	2,651
Fines and forfeits	5,833	0.55	5,852	0.57	(19)
Special assessments	29,870	2.82	31,193	3.02	(1,323)
Investment earnings	35,808	3.39	48,015	4.65	(12,207)
Miscellaneous revenues	33,813	3.20	32,243	3.12	1,570
Total revenues	<u>1,057,523</u>	<u>100.00</u>	<u>1,032,592</u>	<u>100.00</u>	<u>24,931</u>
Expenditures by Function:					
Current:					
General government	173,359	15.22	170,260	16.49	3,099
Public safety	367,377	32.26	332,834	32.21	34,543
Public works	85,532	7.51	70,925	6.86	14,607
Health and welfare	50,938	4.47	36,210	3.50	14,728
Community planning and economic development	209,852	18.43	184,352	17.84	25,500
Capital outlay	147,150	12.92	131,698	12.74	15,452
Intergovernmental:					
General government	6,521	0.57	771	0.07	5,750
Health and welfare	168	0.02	332	0.03	(164)
Culture and recreation	11,029	0.97	13,174	1.27	(2,145)
Debt service:					
Principal retirement	67,372	5.92	73,925	7.15	(6,553)
Interest and fiscal charges	19,509	1.71	18,987	1.84	522
Total expenditures	<u>1,138,807</u>	<u>100.00</u>	<u>1,033,468</u>	<u>100.00</u>	<u>105,339</u>

General Fund—The General Fund is the general operating fund of the City. As of December 31, 2024, restricted fund balance totaled \$15,025, the assigned fund balance totaled \$54,381, while unassigned totaled \$139,769. Total fund balance decreased by \$1,195 during 2024.

The following table provides changes in revenues by source from 2023 to 2024.

Revenues by Source	General Fund Revenues By Source				Increase/ (Decrease)
	2024		2023		Amount
	Amount	Percent of Total	Amount	Percent of Total	
Taxes	\$ 338,298	51.30 %	\$ 325,383	50.49 %	\$ 12,915
Licenses and permits	50,282	7.62	45,368	7.04	4,914
Intergovernmental revenues	94,505	14.33	116,806	18.13	(22,301)
Charges for services and sales	57,505	8.72	59,322	9.21	(1,817)
Fines and forfeits	5,589	0.85	5,741	0.89	(152)
Special assessments	5,524	0.84	5,337	0.83	187
Investment earnings	14,265	2.16	20,483	3.18	(6,218)
Miscellaneous revenues	3,394	0.51	3,660	0.57	(266)
Total revenues	\$ 569,362	86.33	\$ 582,100	90.34	\$ (12,738)
Transfers in	89,957	13.64	61,738	9.58	28,219
Leases/Subscriptions Issued	186	0.03	502	0.08	(316)
Total revenues and other financing sources	\$ 659,505	100.00 %	\$ 644,340	100.00 %	\$ 15,165

In 2024, General Fund revenues and other financing sources increased by 2.4% from the previous year. Some highlights include:

- Tax collections were higher in 2024 than 2023 due to an increase in the property tax levy amount in the General Fund.
- Licenses and permits increased 10.8% over 2023 as the City had an increase in local activity in entertainment and sales.
- Intergovernmental revenues decreased 19.1% over 2023 primarily due to a decrease in pension contributions from the State as well as public safety aid received in 2023.
- Transfers in increased by \$28,219 as the City used the remaining American Rescue plan act funds to replace lost revenue in the General Fund.
- The City's investment earnings decreased in 2024 by \$6,218 compared to 2023 with changes in market conditions.

This Section Left Blank Intentionally

The following table provides the changes in expenditures by function from 2023 to 2024:

Expenditures by Function	General Fund Expenditures by Function				Increase/ (Decrease)
	2024		2023		Amount
	Amount	Percent of Total	Amount	Percent of Total	Amount
Current and Intergovernmental:					
General government	\$ 145,194	21.98 %	\$ 133,782	22.01 %	\$ 11,412
Public safety	348,811	52.79	315,840	51.97	32,971
Public works	72,902	11.03	69,387	11.42	3,515
Health and welfare	24,373	3.69	15,758	2.59	8,615
Community planning and economic development	46,983	7.11	38,256	6.30	8,727
Debt Service:					
Principal retirement	1,642	0.25	1,580	0.26	62
Interest and fiscal charges	199	0.03	196	0.03	3
Total expenditures	640,104	96.88	574,799	94.58	65,305
Transfers out	20,596	3.12	32,888	5.42	(12,292)
Total expenditures and other financing uses	\$ 660,700	100.00 %	\$ 607,687	100.00 %	\$ 53,013

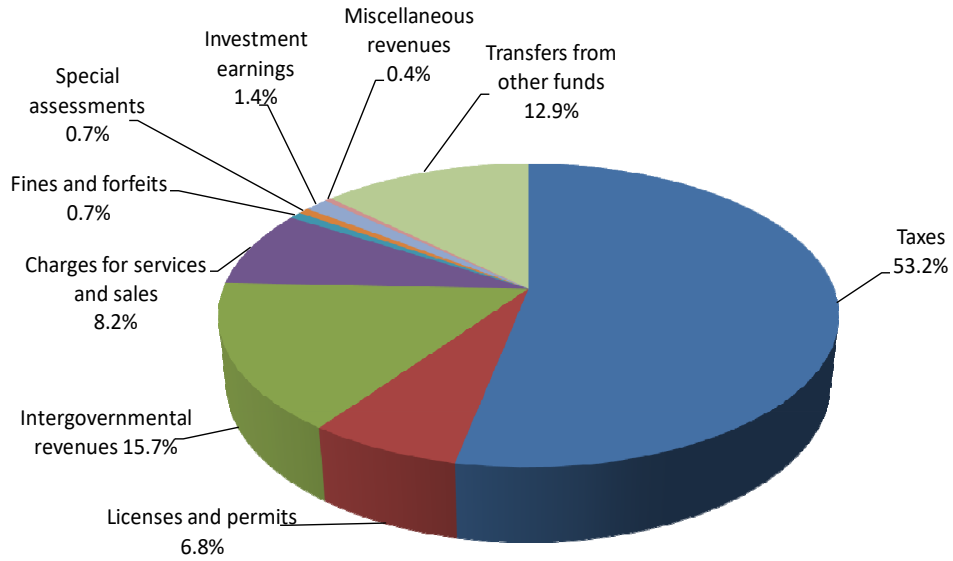
Overall, General Fund expenditures and transfers out increased by 8.7% from the previous year. The recovery from 2023 continued into 2024 with ongoing responses to the COVID-19 pandemic. Revenue replacement funds from American Rescue Plan Act funding allowed the General Fund to restore service levels to higher levels than recent years. General government spending increased due to a variety of factors. General government spending increased due to inflationary factors as well a return to pre-pandemic spending. Public safety spending increased as departments saw increased staffing along with increase in overtime pay. Health and welfare saw increase in state and local grant funds for current year health initiatives. Community planning and economic development saw an increase in project spending on various efforts related to affordable housing and economic recovery.

General Fund Budgetary Highlights—The final budget for the City’s General Fund represents the original budget plus any previously appropriated funds set aside for the purpose of honoring legally incurred obligations (prior year encumbrances and commitments), and any additional supplemental appropriations that may occur during the fiscal year. In 2024, the following were significant budget actions:

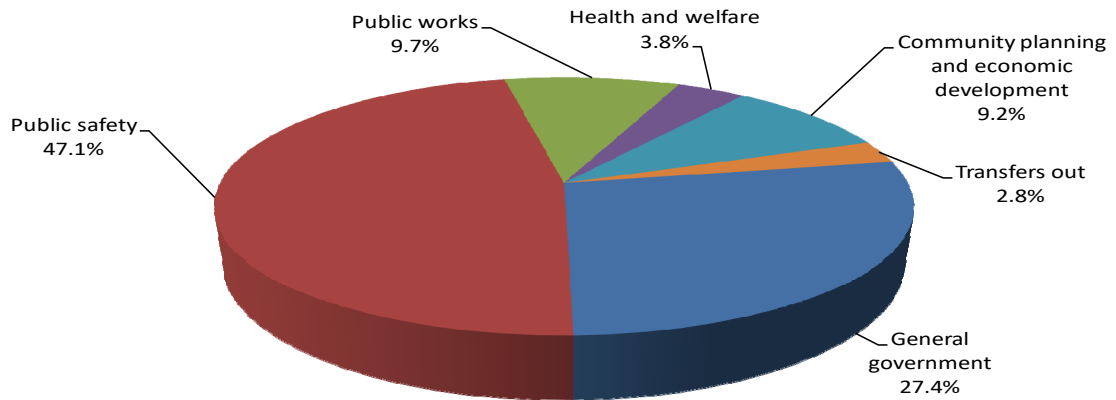
- The original General Fund appropriation for fiscal year 2024 was \$685,394, which included projected transfers out of \$17,192. The final appropriation was \$737,413 including transfers of \$20,596. General revenues and other resources were originally estimated at \$667,149, which included projected transfers in of \$60,390. The final revenue estimate was \$696,977 including transfers of \$90,228.
- Budgetary variances between the final amended budget and the actual results include:
 - 1) Public Works finished the year \$1,513 over budget primarily due to material and supplies cost exceeding budget. The work for others expense was offset by increased revenues.
 - 2) Public Safety finished the year \$1,157 over budget primarily due to multi-year union contract settlements as well overtime issues due to staff shortages.
 - 3) Several General Government departments were under budget by \$56,551 due mainly to salary savings related to personnel vacancies and delayed spending on initiatives and projects.
 - 4) Community Planning and Economic Development (CPED) has several projects that are expected to require ongoing funding resulting in current year budget savings of \$21,188.
 - 5) Unspent contingency funding of \$23,244 and the underspending identified above offset any overspending, resulting in an overall underspending in the General Fund of \$76,713.

Current fiscal year revenue and expenditure budgets for the General Fund by major category or function are as follows:

General Fund Revenue Budget by Source



General Fund Expenditure Budget by Function



Community Planning and Economic Development (CPED) Special Revenue Fund—The Community Planning and Economic Development (CPED) Special Revenue Fund accounts for governmental fund proceeds that are legally restricted to expenditures for specific purposes in a series of housing and economic development programs. The range of programs operated within this fund are created to increase the City’s economic competitiveness, to ensure an array of attractive housing choices, to support strong and diverse neighborhoods, and to preserve the City’s historic structures. These programs are financed primarily through tax increment financing, administrative fees, and rents and sales from land held for development. A general development fund program provides loans and grants to organizations within the City to assist commercial and housing development. The program is capitalized with residual equities from development projects, sales from land held for development, and loan repayments.

The total revenues of the CPED Special Revenue fund in 2024 were \$33,100, 2.3% more than the prior year. A majority, approximately 59.8%, of the fund’s revenue was derived from property tax increment, and 5.2% of the fund’s revenue was generated from rents collected and the repayment of loans made for the housing and redevelopment activities of the City. The remaining revenue was derived from a variety of miscellaneous sources. The expenditures for the fund in 2024 were \$52,308. The fund’s expenditures are primarily for contractual services for the housing and economic programs operated within the fund and for the staff costs to monitor and deliver these programs. The level of current fund expenditures increased in 2024. The expenditures in this fund will vary depending on the project activity in any given year.

The fund’s transfers to other funds of \$7,922 were primarily to provide resources for the debt service obligations issued by the City for community development programs.

At year-end, the fund balance in the CPED Special Revenue Fund was \$217,644. This included \$147,671 restricted for specific programs by State law; and the remaining \$69,973 assigned to provide for community planning and economic development activities.

Grants – Federal Special Revenue Fund – This fund is used to account for federal grants from a variety of sources except HUD. This fund included the accounting for proceeds from American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds due to the coronavirus pandemic.

Total revenue in 2024 was \$108,574, an increase of \$869 or 1% compared to the 2023 revenue of \$107,705. The increase is primarily due to ARPA funding. Total expenditures in 2024 totaled \$104,059, which includes \$58,756 of transfers to other funds, increased by \$4,145 or 4% compared to the 2023 expense of \$99,914. In summary, the increase in expenditures is also due to ARPA funding. Total fund balance at year end 2024 was \$12,853, an increase of \$4,515 from the 2023-year end fund balance of \$8,338.

HUD Consolidated Plan Special Revenue Fund – This fund is used to account for federal formula-based grants received from the U.S. Department of Housing and Urban Development’s Community Planning and Development Office.

Total revenue in 2024 was \$26,181, an increase of \$4,962 or 23% compared to the 2023 revenue of \$21,219. The increase is primarily due to HOME ARP, CDBG funding and increased programmatic activity in community planning and economic development (CPED) which includes multi-family and affordable housing. Expenditures in 2024 totaled \$26,364, an increase of \$5,377 or 26% compared to the 2023 expenditures of \$20,987. In summary, HOME, HOME ARP, and CDBG funding increased both the revenue and expenditure in CPED programs. Total fund balance at year end 2024 was \$5,338, a decrease of \$183 over the 2023-year end fund balance of \$5,521.

Permanent Improvement Capital Project Fund—Funding for the Permanent Improvement Capital Project Fund is primarily from four sources: bonds that are sold by the City for capital projects; the State of Minnesota; Federal and local funds. State and Federal revenues are primarily used for capital assets including bridges, streets, street lighting, and traffic signals. The Permanent Improvement Capital Project Fund is used to build infrastructure for the City including bridges, streets, traffic signals, streetlights, and buildings and to fund other capital projects. During 2024, \$147,150 of capital outlay occurred, which is an increase of 11.7% from outlay of \$131,698 in 2023.

The key assets constructed with these funds include:

- Bridges - \$488
- Streets - \$73,359
- Traffic Signals and Street Lighting - \$19,294
- Bike Trails - \$9,592
- Property Service - \$14,348
- Consolidated Office Building - \$11,078

The fund balance increased from \$76,674 in 2023 to \$80,351 in 2024. The increase is mostly due to bond proceeds remaining on hand. Other than bond sales and transfers, revenues for the fund increased from \$53,367 in 2023 to \$70,694 in 2024 due mainly to an increase from State and Federal sources for a variety of capital projects.

Special Assessment Debt Service Fund—The City uses the Special Assessment Debt Service Fund to collect special assessments from residents and businesses for public improvements that are wholly or partially paid by the taxpayers. Special assessments are levied and collected each year via Hennepin County property tax statements as well as through voluntary prepayments and title company remittances upon sale of properties. These improvements are typically related to infrastructure items such as roadway, streetscape and street lighting projects, and diseased tree removal on private property. At the end of 2024 the City had \$72,970 of debt outstanding for special assessment improvements. During 2024, the City received debt related assessment collections and interest earnings of \$15,213 and paid total principal of \$9,435 on special assessment bonds and notes. Both amounts were as expected and related to assessment debt activities as planned.

Enterprise Funds— The City operates six enterprise funds: Sanitary Sewer, Stormwater, Water Treatment and Distribution Services, Municipal Parking, Solid Waste and Recycling, and Community Planning and Economic Development (CPED).

The enterprise funds had a positive net position of \$1,223,303 on December 31, 2024, an increase of \$50,206 over the 2023 balance of \$1,173,097.

The following table summarizes the cash balances, total assets, deferred outflows of resources, total liabilities, deferred inflows of resources, operating income (loss), changes in net position, and net positions for each of the enterprise funds, for 2024 and 2023:

Enterprise Funds Key Balance Sheet Account Balances and Operating Activities December 31, 2024 and 2023								
	Sanitary Sewer	Stormwater	Water Treatment and Distribution Services	Municipal Parking	Solid Waste and Recycling	Community Planning and Economic Development	Total	
							2024	2023
Cash and investments	\$ 24,807	\$ 15,484	\$ 53,082	\$ 3,701	\$ 18,628	\$ 24,843	\$ 140,545	\$ 151,738
Assets	264,780	464,807	552,547	251,038	76,527	28,844	1,638,543	1,591,000
Deferred outflows of resources	1,494	4,194	5,685	1,471	3,557	-	16,401	22,461
Liabilities	71,431	65,615	181,771	60,275	34,589	1,947	415,628	427,543
Deferred inflows of resources	1,435	3,880	5,932	1,431	3,335	-	16,013	12,821
Operating income (loss)	17,618	4,651	18,166	8,868	(3,428)	(303)	45,572	48,574
Change in net position	17,582	11,546	17,278	5,023	(1,556)	333	50,206	45,003
Net position	193,408	399,506	370,529	190,803	42,160	26,897	1,223,303	1,173,097

Sanitary Sewer Fund—The Sanitary Sewer Fund pays 95% of the contractual payments to Metropolitan Council Environmental Services (MCES) for wastewater collection and treatment services. This fund also accounts for sanitary sewer maintenance and design work and the related capital programs and debt service payments. Net position as of December 31, 2024 was \$193,408 compared to \$175,826 for 2023, an increase of \$17,582. The operating revenues of \$95,016 for 2024 compared to \$91,641 for 2023 reflects an increase of \$3,375. The sanitary utility sales and service revenues account for \$3,094 of an increase due to both an increase in rates and volume. Sewer availability charge (SAC) revenues decreased by \$1,392. Decreases in SAC revenue is offset by equivalent decreases in SAC expenses.

The operating expenses totaled \$77,398 compared to \$75,475 in 2023 resulting in an increase of \$1,923. The increase in operating expenses mainly reflects a \$1,364 increase in supplies and materials from 2023.

Stormwater Fund— The Stormwater Fund pays 5% of the contractual payments to Metropolitan Council Environmental Services (MCES) for wastewater collection and treatment services. This fund also accounts for the combined sewer overflow (CSO) program, street cleaning, storm design, storm water maintenance, and the related capital programs and debt service payments. Net position as of December 31, 2024 was \$399,506 which was an increase of \$11,546 from the beginning balance of \$387,960.

The 2024 operating revenues of \$47,737 compared to \$47,366 for 2023 reflected an increase of \$371. The increase is due mainly to an increase in Utility service revenues of \$1,170 due to both a rate increase and more volume.

The operating expenses totaled \$43,086 compared to \$37,826 reported for 2023. This was an increase of \$5,260 and reflects in large part a \$4,130 increase in personnel costs (pension and other benefits) along with higher capital contractual service expenses as compared to 2023 amount.

Water Treatment and Distribution Services Fund—The Public Works Water Treatment and Distribution Services Fund accounts for the operation, administration, maintenance and capital investments of a water treatment and delivery system for the City and several wholesale customers. The City sells water directly to the cities of

Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, as well as the Metropolitan Airports Commission.

Net position increased by \$17,278 for the year, resulting in a net position on December 31, 2024 of \$370,529. This planned increase allowed for net increases to long-term assets in the amount of \$15,954 for improvements to the City's water distribution system and water treatment infrastructure improvements.

Operating revenue increased by \$430, when compared to 2023, due in large part to a slight increase in water sales due to higher rates from both retail and wholesale customers. Operating expenses decreased by \$67, when compared to 2023. This decrease is made up of decreases in personnel costs (mainly pension) that were almost offset by higher contracted services.

Municipal Parking Fund—The Municipal Parking Fund accounts for the operation and maintenance of parking ramps, lots, on-street parking meters, the municipal impound lot, and the traffic/parking control system. Net position on December 31, 2024 was \$190,803 which is an increase of \$5,023 from the beginning balance.

Operating parking revenues were up \$5,331 from 2023. These revenues continue to increase as compared to the previous four years where revenue amounts were down significantly due to the COVID-19 pandemic severely restricting both business and employment activity downtown. These revenue increases were partially offset by \$4,882 more in operating expenses from the 2023 amount due to variable expenses increasing with higher volumes such as credit card fees, maintenance and personnel costs.

Solid Waste and Recycling Fund—The Solid Waste and Recycling Fund accounts for the City's solid waste and recycling collection and disposal, and a solid waste transfer station that serves over 107,800 dwelling units. Pick-up services for trash, yard waste, and recyclables are provided on a weekly and a biweekly basis. City crews provide approximately one-half of the solid waste collection services and the other half are provided through a consortium of companies specializing in waste collections. Also accounted for in this fund are various initiatives such as clean city neighborhood clean sweeps; city-wide litter and graffiti abatement and removal; and an organics program.

Net position through December 31, 2024 totaled \$42,160, a decrease of \$1,556 compared to the beginning balance of \$43,716. Operating revenues totaled \$48,073, an increase of \$3,587 over 2023. This increase is due to \$2,226 more in utility services revenue due to higher rates and \$712 more in scrap sales.

Operating expenses increased to \$51,501 compared to \$47,158 for 2023. This increase of \$4,343 reflects increases in personnel costs and contractual services.

Community Planning and Economic Development Enterprise Fund (CPED)—The CPED Enterprise Fund operates a series of business-type activities designed to enhance housing options and economic development within the City. Within this fund there are programs that provide low interest home mortgages financed through the sale of bonds. There is also a program in which revenue bonds are issued to finance economic development. The program obtains lease or loan agreements from developers to meet the debt service requirements of the financing. This fund also operates a river terminal facility. Substantially all operating revenues are derived from fees charged to the users of the services provided. The river terminal accounts for the investment in capital assets of the fund.

Net position increased by \$333 during the year. Operating loss was down from \$548 in 2023 to \$303 in 2024. The overall increase in net position was due primarily to investment earnings.

Internal Service Funds—The City operates six internal service funds: Engineering Materials and Testing, Intergovernmental Services, Property Services, Equipment Services, Public Works Stores, and Self-Insurance. Internal service funds recover the cost of operations either through an activity-based cost allocation model to charge City departments for services provided or by a direct charge for the goods or services purchased. In

addition to recovering the cost of operations, the revenue received must be adequate to maintain a cash balance and net position that meets the minimum balance that is determined by financial policies.

The following table provides a summary of cash balances, total assets, deferred outflows of resources, total liabilities, deferred inflows of resources, operating income, changes in net position, and the net position for each of the internal service funds:

**Internal Service Funds
Key Balance Sheet Account Balances and Operating Activities
December 31, 2024, and 2023**

	Engineering Materials and Testing	Intergovern- mental Services	Property Services	Equipment Services	Public Works Stores	Self- Insurance	2024 Total	2023 Total
Cash	\$ 1,734	\$ 12,845	\$ 2,977	\$ 8,231	\$ 4,073	\$ 174,933	\$ 204,793	\$ 179,971
Assets	1,948	55,521	53,389	90,704	11,560	174,934	388,056	353,736
Deferred outflows of resources	334	2,942	2,214	1,970	331	200	7,991	11,204
Liabilities	1,475	38,035	12,067	10,232	1,848	258,893	322,550	286,137
Deferred inflows of resources	335	3,350	2,213	1,924	353	221	8,396	6,810
Operating income (loss)	(177)	1,485	218	(3,592)	806	(10,022)	(11,282)	(17,403)
Change in net position	(144)	1,674	557	(2,322)	1,103	(7,760)	(6,892)	(14,229)
Net position	472	17,078	41,323	80,518	9,690	(83,980)	65,101	71,993

Engineering Materials and Testing Fund— The Engineering, Materials and Testing Fund records transactions related to City purchases of hot-mix asphalt and ready-mix concrete. This fund also accounts for the transactions associated with the quality control activities for the placement of these materials and assures compliance with State and Federal standards and specifications. The Engineering Laboratory, a component of this fund, provides these quality control activities. In addition, the Engineering Laboratory is responsible for construction inspection and testing services, performing geotechnical evaluations, and coordinating related environmental field services. At year-end 2024, the net position is \$472 representing a decrease of \$144 from 2023 ending net position of \$616. The decrease in net position is primarily due to construction activities that may vary in any given year. The fund maintains a positive cash balance at \$1,734 at year-end 2024 which is a decrease of \$211 to the 2023 ending balance of \$1,945.

Intergovernmental Services Fund—This fund accounts for operations of Information Technology (IT), the City Clerk’s printing, and central mailing services. IT is comprised of telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware. These services are also provided to the Minneapolis Park and Recreation Board, Municipal Building Commission, and the Minneapolis Youth Coordinating Board. Since 2016, the fund insourced the services provided by the IT helpdesk and desk side support that were previously outsourced.

The fund’s 2024 ending net position is \$17,078 representing an increase of \$1,674 from the year-end 2023 net position of \$15,404. This increase is mainly due to increase in IT allocation to fund products, services, and expand project activities including HRIS system upgrade. The cash balance at year-end 2024 is \$12,845 representing an increase of \$1,916 to 2023 year-end cash balance of \$10,929.

Property Services Fund—The Property Services Fund is responsible for the management and maintenance of City-owned buildings including police precinct structures, fire stations, and public works buildings. The fund does not include buildings of the Convention Center, or Water facilities and Park Board. The fund is responsible for energy

management and internal security. Included in this fund is the Radio Shop, which maintains the City's emergency communications network. Radio Shop will move to 911 starting in 2025.

Several of the City's properties are recorded as assets of this fund resulting in an annual depreciation expense. The Property Services Fund does not have rental and maintenance rates sufficient to fully recover depreciation related to City buildings recorded in this fund. This generally results in an operating loss each year and a decrease to net position. In 2024, the fund net position increased by \$557 resulting in an ending balance of \$41,323 compared to the 2023 ending net position of \$40,766. The cash balance decreased by \$3,223 which reduced cash from \$6,200 at year-end 2023 to \$2,977 at year-end 2024 due to increased asset preservation projects completed in 2024 that were rolled over from prior periods.

Equipment Services Fund—The Equipment Services Fund manages the acquisition, maintenance, and disposal of over 2,341 units of equipment, primarily the City's fleet of vehicles. The fund also provides technicians to maintain the equipment. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles. The Equipment Services Fund uses an activity-based cost recovery model to calculate equipment and labor rates charged to customers based on actual expenses related to the vehicle and the replacement cost of the vehicle. In 2024, the fund experienced a decrease of \$2,322 to net position resulting in an ending balance of \$80,518 compared to the 2023 ending net position of \$82,840. The 2024 ending cash balance is \$8,231, a decrease of \$8,571 from the ending balance of \$16,802 in 2023. The decrease to cash balance and net position is due to the timing of the capital purchases, which fluctuate annually based on a long-term replacement plan. Also, due to cost saving measures in past years, the fund was unable to collect for the entire replacement costs, which led to the decrease in the fund balance in 2024.

Public Works Stores Fund—This fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items, and the purchase of special goods and services for City departments. In addition, this fund stores an inventory of traffic signal components for assembly for Public Works-Transportation. At year-end 2024, the fund reported an increase to net position by \$1,103 from a 2023 ending balance of \$8,587 to \$9,690 in 2024. The fund ending cash balance is \$4,073 for 2024, an increase of \$1,424 from the 2023 ending cash balance of \$2,649. The increase in cash balance and net position is primarily due to an increase in operating margin resulting from the realignment of cost allocation to meet actual inventory costs and services.

Self-Insurance Fund—The Self-Insurance Fund accounts for tort liability, workers' compensation, employee accrued sick leave benefits, medical and dental self-insured plans, and the related administrative costs. An activity-based cost allocation model determines the charges allocated to City departments to cover the cost of self-insurance and related services. The expected payout for claims in future years is determined by an actuarial study conducted by Pinnacle.

The net position at year-end 2024 was negative \$83,980, an increase of \$7,760 to the 2023 ending net position of negative \$76,220. This variance is mainly due to the higher General Liability claims booked according to 2024 actuarial report. The cash balance increased by \$33,487 from \$141,446 in 2023 to \$174,933 at year-end 2024. The increase in cash balance is mainly due to a combination of higher revenues and reduced claims expenditures. Workers' compensation reported a net cash inflow of \$8,396, due to increased allocation revenue, higher State reimbursements, and a reduction in claims paid. Similarly, general liability reflected a net increase of \$8,099 due to lower claims and legal expenditures. Medical and dental realized \$24,933 in additional inflows from premium revenue, pharmacy rebates, and State reimbursements, partially offset by a \$7,950 increase in claims paid.

As noted, an actuarial study determines the expected payouts for claims in this fund and the current year revenue is charged based on this information. In any given year, payouts may be more or less than actuarially determined, resulting in an increase or decrease in cash and net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets—As of December 31, 2024, the City’s investment in capital assets for its governmental and business-type activities was \$3,473,277 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, systems, improvements, machinery and equipment, roads, highways, and bridges. The increase in the City’s investment in capital assets for the current fiscal year included a 4.7% increase in governmental activities and a 3.4% increase in business-type activities.

The following table summarizes capital assets for governmental and business-type activities for 2024 and 2023:

Capital and Lease Assets (Net of depreciation/amortization)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and easements	\$ 114,788	\$ 114,788	\$ 130,321	\$ 130,321	\$ 245,109	\$ 245,109
Construction in progress	714,204	601,171	171,748	148,588	885,952	749,759
Lease assets:						
Land	20	3	4,094	4,617	4,114	4,620
Buildings	3,059	3,279	-	-	3,059	3,279
Equipment	558	1,036	-	-	558	1,036
Software Subscriptions	26,536	22,844			26,536	22,844
Infrastructure	509,654	525,929	-	-	509,654	525,929
Buildings and structures	432,657	450,947	281,246	290,983	713,903	741,930
Public improvements	154,849	159,804	763,233	729,174	918,082	888,978
Equipment and other capital outlay	77,724	64,711	82,307	81,696	160,031	146,407
Software	6,279	4,902	-	2	6,279	4,904
Total	<u>\$ 2,040,328</u>	<u>\$ 1,949,414</u>	<u>\$ 1,432,949</u>	<u>\$ 1,385,381</u>	<u>\$ 3,473,277</u>	<u>\$ 3,334,795</u>

Major capital asset transactions and events during the current fiscal year included:

- Completion of major projects related to lighting and traffic signals, paving of City streets, and downtown asset improvements, combined to increase governmental assets by \$90,914 net of depreciation.
- Storm and floodwater improvements, water distribution assets including pipes, mains, and hydrant infrastructure, and various other capital improvements, increased the asset value, net of depreciation by \$47,568 in the business-type funds.

Additional information on the City’s capital assets can be found in Note 4 of this report.

Long-term debt—As of December 31, 2024, the City had total long-term bonds and notes outstanding of \$849,539 compared to \$831,445 in the prior year. Of this amount, \$540,865 is related to governmental activities and \$308,674 is related to business-type activities. The City had \$26,045 or approximately 3.1% of the long-term debt in variable rate mode at year-end. Long-term notes of \$79,395 are included in the above total, all of which is for business-type activities.

The following table shows various classifications of the City’s long-term bonds and notes on December 31, 2024, and the amount of principal due in 2025.

Summary of Outstanding Bonds and Notes	Balance			Balance	
	1/1/2024	Additions	Retirements	12/31/2024	Due in 2025
General Obligation (GO) Bonds and Notes:					
Property Tax Supported GO Bonds	\$ 290,665	\$ 79,510	\$ (44,255)	\$ 325,920	\$ 22,350
Self-Supporting GO Bonds	142,195	-	(5,940)	136,255	32,260
Special Assessment GO Bonds	73,855	8,550	(9,435)	72,970	8,490
Enterprise Fund Related GO Bonds	226,335	31,119	(28,175)	229,279	26,500
Enterprise Fund Related GO Notes	86,575	-	(7,180)	79,395	11,435
Total General Obligation Bonds and Notes	819,625	119,179	(94,985)	843,819	101,035
Revenue Bonds and Notes:					
Tax Increment Revenue Bonds	11,190	-	(5,470)	5,720	1,400
Revenue Notes	630	-	(630)	-	-
Total Revenue Bonds and Notes	11,820	-	(6,100)	5,720	1,400
Total Outstanding Bonds and Notes	\$ 831,445	\$ 119,179	\$(101,085)	\$ 849,539	\$ 102,435

The City maintained an “AAA” rating from Standard & Poor’s and Fitch Ratings for its general obligation debt in 2024, and was rated as “AAA” by Moody’s for its general obligation debt in 2024. Additional information on the City’s Long-term debt can be found in Note 5 of the report.

HISTORICAL AND LONG-TERM FINANCIAL PLANNING

The Mayor and City Council continue to take a long-term view of the City’s finances. The following areas are those with the most significant impacts:

- During the 1990s, due to other external demands, the revenue to support the internal services did not keep pace with the growth in expenses. Significant negative cash balances resulted because annual expenses exceeded revenues. The cumulative net position of the internal service funds at the end of 2024 is \$65.1 million which is a significant improvement over the position of the funds since 2000 when the net position deficit was \$(61.7) million, however the net position has dropped by \$6.9 million from 2023 to 2024.
- The City continues to manage internal service fund revenue and expenditures to ensure full funding to meet financial policy targets for net position and cash balance wherever possible. Factors outside the City’s direct control have resulted in large liabilities in the self-insurance internal service fund which the City continues to monitor and plan for. Cash balances were increased in the self-insurance fund from \$141.4 million in 2023 to \$174.9 million in 2024.
- Similar to other jurisdictions, employee wages and benefits make up over 64.1% of the City’s General Fund 2024 original expenditure budget, increases to which are driven by growth in wages, cost of living, and overtime costs.
- The City of Minneapolis receives an allocation from the State of Minnesota for Local Government Aid (LGA). This payment from the state is determined by legislative action and sometimes contingent upon the financial health and stability of the state. Reductions to this aid can have significant consequences for the City. Since 2017, the LGA amount has been consistently between \$74.0 million and \$82.0 million. The

allocation for 2024 was \$85.3 million. A portion of LGA is passed through to the Minneapolis Park and Recreation Board and the Municipal Building Commission component units.

- The City adopts a six-year capital improvement program (CIP) that is updated annually. Each year, City departments and independent boards and commissions prepare new and/or modify existing capital budget requests (CBRs). The CBRs are then reviewed by the Capital Long-Range Improvement Committee (CLIC) which is a citizen advisory committee to the Mayor and City Council.
- The City continues to lay a foundation for development including large projects and continued investment in housing as well as economic development for businesses. For 2024, the City marked its thirteenth consecutive year in which more than \$1.0 billion in permitted construction projects based on the value of permits issued for the year.
- The City continues to proactively manage its pension liabilities. The City participates in several plans administered by the Public Employees Retirement Association (PERA). PERA is a separate statutory entity that manages plans and can determine contribution rates and other components of the pension plans that can have significant impacts on the City's pension obligations.
- For 2021, the City levied \$8.5 million less for pension obligations than the higher rate of 2018. This is related to a decrease in the City's obligation on closed pension funds that is planned to be in place until 2031 when the obligation is satisfied. The lower amount continued into 2024.
- The City continues to monitor impact of federal funding changes and is prepared to respond appropriately.

In the course of the City's annual business and strategic planning process, City departments review and document the most significant trends and challenges affecting their work. While some of these issues are specific to department business, several enterprise-wide themes emerge such as the ongoing development work, the reliance on tenuous intergovernmental funding; workforce recruitment challenges and increased demands; workforce turnover; increased demand for technological solutions; regulatory complexity and unfunded mandates; emergency and security management needs; stadium and hospitality facilities; aging facilities and other capital investments; and appropriate levels of fund reserves versus funding current operations.

The long-term effects of the pandemic on the downtown core require strong financial planning. The City continues to diligently monitor trends in downtown commercial and residential occupancy and incorporate these lasting impacts to the City's financial planning process.

Budget Outlook:

The City's future financial outlook is stable even considering the challenges of the pandemic and economic uncertainty. The City has financial policies in place to help address funding pressures including personnel costs, pension obligations, and self-insurance obligations. Since 2002, the City has annually adopted a five-year financial direction.

- For 2025, the Council Adopted Budget for all City funds was \$1.89 billion which represents a \$60.0 million or 3.15% increase from the 2024 Council Adopted Budget of \$1.83 billion, exclusive of the City's Independent Boards and interfund transfers.
- At the same time, the Council adopted a 2025 property tax levy of \$497.4 million, which results in a 5.4%, or \$25.4 million increase, from the 2024 adopted property tax levy. As part of this budget, funds that have accumulated in the various City funds due to a growing economy and fiscal restraint in prior years allows for utilization of fund balances, operating capital items and other one-time items.

- In 2021, in response to the ongoing financial effects of the COVID-19 pandemic, the City chose to temporarily freeze over 300 positions. For 2022 many of those positions were added back to authorized full time equivalent (FTE) counts in a staggered approach. For 2023, an additional 68 FTE were added to the budget. In 2024, the City added 119.64 FTEs. Some of these positions had been temporary workers related to ARPA programming.
- A primary feature of the 2024 budget is continued planning for ongoing effects of the COVID-19 pandemic including the use of American Rescue Plan Act funding for targeted programming throughout the City and for use as revenue replacement to the General Fund as allowed by grant guidelines. 2024 is the final year for planned ARPA spending.
- In 2023, the City's levies for its closed pension funds that merged into the Minnesota State Public Employees' Retirement Association (PERA) decreased 19.4% to \$11.9 million in response to retained fund balance in the employee retirement special revenue funds. These amounts stayed steady in 2024 and will be reevaluated annually going forward.
- For 2024-2029, the six-year capital program totals \$1.4 billion including all funding sources. The 2024 portion of the six-year capital program is \$274.2 million which funds accelerated improvements to the City's infrastructure.

Economic Outlook and Tax Trends

Minneapolis has the highest concentration of commercial office buildings in the State of Minnesota and therefore is the largest contributor of revenue to the state general tax on a per city basis. Minneapolis' commercial/industrial estimated market value per the Minneapolis Assessor's office is \$13.1 billion for 2024 up from \$12.7 billion in 2023.

The City is planning to levy taxes at a rate to allow for moderate growth of planned service levels over the next 4 years. Property tax levy rates for all categories of levy are projected to grow by 5.4% in 2025, decreasing to a growth of 3.6% by 2029.

Downtown Office Space – Vacancy Rate

Because of the importance of real estate taxes as a source of local government revenue, real estate statistics are an important gauge for municipalities. Based on the first quarter 2025 *U.S. Office Marketbeat Report* published by Cushman & Wakefield, the office space vacancy rate for the Minneapolis/St. Paul metro area is up to 29.3% at the end of 2024. The vacancy rate has continued to climb each year since 2021 when the vacancy rate was 23.7%.

Employment

The City of Minneapolis typically experiences an unemployment level less than that of the State of Minnesota and the national average. As we continue to see unprecedented employment recovery since the worst parts of the COVID-19 pandemic, the unemployment rates are down significantly in many areas of the country. This is true in Minnesota and the Twin Cities metro area as well. The 2024 annual average Minnesota unemployment rate was 3.2% while the Minneapolis metro unemployment rate was 2.4%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Minneapolis' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Officer at The City of Minneapolis, 350 South Fifth Street, Minneapolis, Minnesota 55415. The annual financial report is also available online at www.minneapolismn.gov.



THIS PAGE IS INTENTIONALLY BLANK

STATEMENT OF NET POSITION
December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA
(In Thousands)

	Primary Government			Discrete Component	
	Governmental Activities	Business-type Activities	Total	Units	Total
ASSETS					
Cash and pooled investments	\$ 944,788	\$ 115,702	\$ 1,060,490	\$ 86,728	\$ 1,147,218
Investments with trustees	2,114	24,843	26,957	-	26,957
Receivables - net	287,166	42,999	330,165	16,700	346,865
Due from other governmental agencies	-	11,565	11,565	-	11,565
Prepays and other assets	6,921	4,758	11,679	957	12,636
Inventories	8,837	5,727	14,564	110	14,674
Internal balances	43,170	(43,170)	-	-	-
Properties held for resale	42,084	-	42,084	-	42,084
Capital assets:					
Nondepreciable/nonamortizable	828,992	302,069	1,131,061	229,754	1,360,815
Depreciable/amortizable, net	1,211,336	1,130,880	2,342,216	277,184	2,619,400
Total assets	\$ 3,375,408	\$ 1,595,373	\$ 4,970,781	\$ 611,433	\$ 5,582,214
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - other postemployment benefits	\$ 61,969	\$ 11,220	\$ 73,189	\$ 1,005	\$ 74,194
Deferred outflows - pensions	252,878	5,181	258,059	12,610	270,669
Total deferred outflows of resources	\$ 314,847	\$ 16,401	\$ 331,248	\$ 13,615	\$ 344,863
LIABILITIES					
Accrued salaries and benefits	\$ 23,353	\$ 2,429	\$ 25,782	\$ 3,766	\$ 29,548
Accounts payable	60,997	16,362	77,359	7,520	84,879
Retainage payable	4,010	-	4,010	-	4,010
Interest payable	2,882	1,188	4,070	-	4,070
Due to other governmental agencies	53	395	448	-	448
Deposits held for others	8,228	2,031	10,259	13,237	23,496
Unearned revenue	12,698	214	12,912	135	13,047
Long-term liabilities:					
Due within one year	128,689	38,442	167,131	467	167,598
Due beyond one year	706,006	293,211	999,217	8,409	1,007,626
Compensated absences:					
Due within one year	37,772	4,918	42,690	6,033	48,723
Due beyond one year	29,848	2,028	31,876	1,702	33,578
Other postemployment benefits:					
Due within one year	6,403	1,158	7,561	175	7,736
Due beyond one year	101,996	18,470	120,466	1,846	122,312
Net pension liability	349,212	34,782	383,994	42,295	426,289
Total liabilities	\$ 1,472,147	\$ 415,628	\$ 1,887,775	\$ 85,585	\$ 1,973,360
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - public-public-partnership agreement	\$ -	\$ -	\$ -	\$ 3,270	\$ 3,270
Deferred inflows - leases	17,391	-	17,391	-	17,391
Deferred inflows - other postemployment benefits	4,874	882	5,756	135	5,891
Deferred inflows - pensions	334,106	15,131	349,237	25,355	374,592
Total deferred inflows of resources	\$ 356,371	\$ 16,013	\$ 372,384	\$ 28,760	\$ 401,144
NET POSITION					
Net investment in capital assets	\$ 1,506,791	\$ 1,120,952	\$ 2,627,743	\$ 502,568	\$ 3,130,311
Restricted:					
Public safety aid	15,025	-	15,025	-	15,025
Debt service	62,623	26,495	89,118	-	89,118
Community and economic development	127,640	-	127,640	-	127,640
Law enforcement	2,764	-	2,764	-	2,764
Grants	20,181	-	20,181	-	20,181
Properties held for resale	42,084	-	42,084	-	42,084
Capital improvements	84,175	-	84,175	1,068	85,243
Project and grant programs	-	-	-	29,322	29,322
Special trust	-	-	-	216	216
Special reserves	-	-	-	4,753	4,753
Donor restrictions	-	-	-	246	246
Unrestricted	454	32,686	33,140	(27,470)	5,670
Total net position	\$ 1,861,737	\$ 1,180,133	\$ 3,041,870	\$ 510,703	\$ 3,552,573

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

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA
(In Thousands)

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total	Discrete Component Units	Total
Primary government									
Governmental Activities:									
General government	\$ 166,241	\$ 31,101	\$ 88,901	\$ -	\$ (46,239)	\$ -	\$ (46,239)	\$ -	\$ (46,239)
Public safety	354,768	16,949	25,186	-	(312,633)	-	(312,633)	-	(312,633)
Public works	164,515	55,363	49,414	5,275	(54,463)	-	(54,463)	-	(54,463)
Culture and recreation	11,029	-	-	-	(11,029)	-	(11,029)	-	(11,029)
Health and welfare	51,675	3,475	22,828	-	(25,372)	-	(25,372)	-	(25,372)
Community planning and economic development	212,458	68,238	44,171	-	(100,049)	-	(100,049)	-	(100,049)
Interest on long-term debt	18,666	-	-	-	(18,666)	-	(18,666)	-	(18,666)
Total governmental activities	<u>979,352</u>	<u>175,126</u>	<u>230,500</u>	<u>5,275</u>	<u>(568,451)</u>	<u>-</u>	<u>(568,451)</u>	<u>-</u>	<u>(568,451)</u>
Business-type Activities:									
Sanitary sewer	79,226	95,016	2,311	-	-	18,101	18,101	-	18,101
Stormwater	44,638	47,469	10,051	-	-	12,882	12,882	-	12,882
Water treatment and distribution services	81,087	96,171	-	-	-	15,084	15,084	-	15,084
Municipal parking	60,954	67,974	-	-	-	7,020	7,020	-	7,020
Solid waste and recycling	52,755	48,064	1,729	-	-	(2,962)	(2,962)	-	(2,962)
Community planning and economic development	1,266	963	-	-	-	(303)	(303)	-	(303)
Total business-type activities	<u>319,926</u>	<u>355,657</u>	<u>14,091</u>	<u>-</u>	<u>-</u>	<u>49,822</u>	<u>49,822</u>	<u>-</u>	<u>49,822</u>
Total primary government	<u>\$ 1,299,278</u>	<u>\$ 530,783</u>	<u>\$ 244,591</u>	<u>\$ 5,275</u>	<u>(568,451)</u>	<u>49,822</u>	<u>(518,629)</u>	<u>-</u>	<u>(518,629)</u>
Component units:									
Discrete component units	<u>\$ 186,109</u>	<u>\$ 52,953</u>	<u>\$ 6,926</u>	<u>\$ 37,716</u>				<u>(88,514)</u>	<u>(88,514)</u>
General Revenues:									
Taxes:									
General property tax and fiscal disparities					393,836	-	393,836	80,042	473,878
Property tax increment					982	-	982	-	982
Museum (county-wide levy)					-	-	-	19,505	19,505
Franchise taxes					43,973	338	44,311	-	44,311
Local taxes					87,328	-	87,328	-	87,328
Local government aid - unrestricted					74,934	855	75,789	9,605	85,394
Grants and contributions not restricted to programs					13,967	734	14,701	1,790	16,491
Unrestricted interest and investment earnings					35,708	636	36,344	1,519	37,863
Other					-	76	76	373	449
Transfers					3,853	(3,853)	-	-	-
Total general revenues and transfers					<u>654,581</u>	<u>(1,214)</u>	<u>653,367</u>	<u>112,834</u>	<u>766,201</u>
Change in net position					86,130	48,608	134,738	24,320	159,058
Net Position - January 1					1,789,787	1,131,525	2,921,312	486,848	3,408,160
Restatement (see Note 1R)					(14,180)	-	(14,180)	(465)	(14,645)
Net position - January 1, as restated					<u>1,775,607</u>	<u>1,131,525</u>	<u>2,907,132</u>	<u>486,383</u>	<u>3,393,515</u>
Net position - December 31					<u>\$ 1,861,737</u>	<u>\$ 1,180,133</u>	<u>\$ 3,041,870</u>	<u>\$ 510,703</u>	<u>\$ 3,552,573</u>

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

**GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	General	Community Planning and Economic Development	Grants- Federal	HUD Consolidated Plan	Permanent Improvement	Special Assessment	Non-Major Governmental	Total
ASSETS								
Cash and cash equivalents	\$ 234,387	\$ 203,429	\$ 11,158	\$ 551	\$ 76,385	\$ 24,405	\$ 189,680	\$ 739,995
Investments with trustees	-	-	-	-	-	-	2,114	2,114
Receivables:								
Accounts - net	9,682	2	14	5	3,262	-	904	13,869
Taxes	3,494	43	-	-	74	-	791	4,402
Special assessments	1,004	868	-	-	2,041	72,674	25	76,612
Intergovernmental	612	173	9,060	6,053	27,761	-	22,336	65,995
Loans - net	-	53,155	1,864	48,280	-	-	-	103,299
Leases	-	-	-	-	-	-	18,219	18,219
Accrued interest	2,209	837	51	-	565	101	685	4,448
Due from other funds	-	-	-	-	-	-	3,500	3,500
Advances to other funds	-	-	-	-	-	-	3,445	3,445
Properties held for resale	-	20,031	403	5,338	16,312	-	-	42,084
Total assets	\$ 251,388	\$ 278,538	\$ 22,550	\$ 60,227	\$ 126,400	\$ 97,180	\$ 241,699	\$ 1,077,982
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Salaries payable	\$ 20,266	\$ 99	\$ 325	\$ 179	\$ 444	\$ -	\$ 677	\$ 21,990
Accounts payable	14,415	5,267	5,936	2,930	13,615	13	7,728	49,904
Retainage payable	-	-	-	-	4,010	-	-	4,010
Due to other funds	-	-	-	3,500	-	-	-	3,500
Due to other governmental agencies	-	-	1	-	46	-	6	53
Deposits held for others	5,068	1,462	-	-	665	-	1,033	8,228
Advances from other funds	-	-	-	-	-	-	3,445	3,445
Unearned revenue	46	-	1,571	-	2,176	-	7,756	11,549
Total liabilities	39,795	6,828	7,833	6,609	20,956	13	20,645	102,679
Deferred Inflows of Resources:								
Unavailable revenue	2,418	54,066	1,864	48,280	25,093	73,025	398	205,144
Leases	-	-	-	-	-	-	17,391	17,391
Total deferred inflows of resources	2,418	54,066	1,864	48,280	25,093	73,025	17,789	222,535
Fund balances:								
Restricted	15,025	147,671	12,853	5,338	100,487	24,142	48,976	354,492
Assigned	54,381	69,973	-	-	-	-	154,289	278,643
Unassigned	139,769	-	-	-	(20,136)	-	-	119,633
Total fund balances	209,175	217,644	12,853	5,338	80,351	24,142	203,265	752,768
Total liabilities, deferred inflows of resources, and fund balances	\$ 251,388	\$ 278,538	\$ 22,550	\$ 60,227	\$ 126,400	\$ 97,180	\$ 241,699	\$ 1,077,982

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

**Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position - Governmental Activities
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

Fund balances - total governmental funds		\$	752,768
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>			
Non-depreciable / non-amortizable	784,693		
Depreciable / amortizable	2,261,719		
Accumulated depreciation and amortization	<u>(1,173,267)</u>		<u>1,873,145</u>
<p>Deferred inflows are not available to pay for current-period expenditures and, therefore, in the governmental funds, are unavailable revenue.</p>			
			205,144
<p>Internal service funds are used by management to charge the costs of engineering materials and testing, intergovernmental services, property services, permanent improvement equipment, public works stores, and, self-insurance.</p>			
			65,101
<p>Receivable from business-type funds for internal service fund activity.</p>			
			43,170
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>			
Bonds and notes payable and any related unamortized premiums/discounts	(570,046)		
Other postemployment benefits payable	(99,206)		
Net pension liability	(330,859)		
Bond interest payable	(2,325)		
Lease liability	(646)		
Lease interest payable	(7)		
Software subscriptions liability	(6,091)		
Software subscriptions interest payable	(26)		
Compensated absences	<u>(44,657)</u>		<u>(1,053,863)</u>
<p>Deferred inflows and deferred outflows resulting from pension obligations and other postemployment benefits obligations are recorded only on the government-wide statement of net position. Balances at year end are:</p>			
Deferred outflows - other postemployment benefits	56,713		
Deferred inflows - other postemployment benefits	(4,460)		
Deferred outflows - pensions	250,143		
Deferred inflows - pensions	<u>(326,124)</u>		<u>(23,728)</u>
Net position of governmental activities		\$	<u>1,861,737</u>

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	General	Community Planning and Economic Development	Grants- Federal	HUD Consolidated Plan	Permanent Improvement	Special Assessment	Non-Major Governmental	Total
REVENUES:								
Taxes	\$ 338,298	\$ 19,809	\$ -	\$ -	\$ 15,309	\$ -	\$ 152,529	\$ 525,945
Licenses and permits	50,282	-	-	-	431	-	59	50,772
Intergovernmental revenues	94,505	3,564	104,274	24,733	37,368	-	30,001	294,445
Charges for services and sales	57,505	1,464	-	515	11,021	-	10,532	81,037
Fines and forfeits	5,589	-	-	-	-	-	244	5,833
Special assessments	5,524	29	-	-	1,291	14,523	8,503	29,870
Investment earnings	14,265	6,528	4,208	107	3,646	690	6,364	35,808
Miscellaneous revenues	3,394	1,706	92	826	1,628	-	26,167	33,813
Total revenues	<u>569,362</u>	<u>33,100</u>	<u>108,574</u>	<u>26,181</u>	<u>70,694</u>	<u>15,213</u>	<u>234,399</u>	<u>1,057,523</u>
EXPENDITURES:								
Current:								
General government	145,194	-	7,649	3,579	-	-	16,937	173,359
Public safety	348,811	-	6,197	1,115	-	-	11,254	367,377
Public works	72,902	-	3,968	-	-	-	8,662	85,532
Health and welfare	24,373	-	13,295	456	-	-	12,814	50,938
Community planning and economic development	46,983	52,308	14,026	21,214	-	-	75,321	209,852
Capital outlay	-	-	-	-	147,150	-	-	147,150
Intergovernmental:								
General government	-	-	-	-	6,521	-	-	6,521
Health and welfare	-	-	168	-	-	-	-	168
Culture and recreation	-	-	-	-	11,029	-	-	11,029
Debt Service:								
Principal retirement	1,642	-	-	-	-	9,435	56,295	67,372
Interest and fiscal charges	199	-	-	-	-	2,489	16,821	19,509
Total expenditures	<u>640,104</u>	<u>52,308</u>	<u>45,303</u>	<u>26,364</u>	<u>164,700</u>	<u>11,924</u>	<u>198,104</u>	<u>1,138,807</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,742)</u>	<u>(19,208)</u>	<u>63,271</u>	<u>(183)</u>	<u>(94,006)</u>	<u>3,289</u>	<u>36,295</u>	<u>(81,284)</u>
OTHER FINANCING SOURCES (USES):								
Transfers from other funds	89,957	17,299	-	-	6,218	-	62,914	176,388
Transfers to other funds	(20,596)	(7,922)	(58,756)	-	(2,425)	-	(83,331)	(173,030)
Premium (discount)	-	-	-	-	5,830	-	-	5,830
Software subscriptions issued	76	-	-	-	-	-	-	76
Leases issued	110	-	-	-	-	-	-	110
Bonds issued	-	-	-	-	88,060	-	-	88,060
Total other financing sources (uses)	<u>69,547</u>	<u>9,377</u>	<u>(58,756)</u>	<u>-</u>	<u>97,683</u>	<u>-</u>	<u>(20,417)</u>	<u>97,434</u>
Net change in fund balances	<u>(1,195)</u>	<u>(9,831)</u>	<u>4,515</u>	<u>(183)</u>	<u>3,677</u>	<u>3,289</u>	<u>15,878</u>	<u>16,150</u>
Fund balances - January 1	210,370	241,655	8,338	5,521	76,674	20,853	187,387	750,798
Restatement (see Note 1R)	-	(14,180)	-	-	-	-	-	(14,180)
Fund balances - January 1, as restated	<u>210,370</u>	<u>227,475</u>	<u>8,338</u>	<u>5,521</u>	<u>76,674</u>	<u>20,853</u>	<u>187,387</u>	<u>736,618</u>
Fund balances - December 31	<u>\$ 209,175</u>	<u>\$ 217,644</u>	<u>\$ 12,853</u>	<u>\$ 5,338</u>	<u>\$ 80,351</u>	<u>\$ 24,142</u>	<u>\$ 203,265</u>	<u>\$ 752,768</u>

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

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the
Statement of Activities - Governmental Activities
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

Net increase (decrease) in fund balances - total governmental funds	\$	16,150
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities with amounts related to business type activities shown as an internal balance.		(6,892)
Transfers from business-type funds for internal service fund activity.		1,598
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets:	149,071	
Less current year depreciation and amortization	<u>(69,807)</u>	<u>79,264</u>
Revenues not collected for several months after the City's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. The adjustment between the fund statements and the statement of activities is the increase or decrease in revenue deferred as available.		
Deferred inflows of resources - December 31	205,144	
Deferred inflows of resources - January 1	<u>(197,321)</u>	<u>7,823</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Lease proceeds	(110)	
Software subscription proceeds	(76)	
Bond, lease and software subscription principal payments	67,372	
Bond proceeds	<u>(88,060)</u>	<u>(20,874)</u>
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:		
Change in accrued interest payable	843	
Change in other postemployment benefits payable and related deferred outflows and inflows	(10,633)	
Change in compensated absences	(18,707)	
Change in net pension liability and related deferred outflows and inflows	40,655	
Change in other long-term liabilities	<u>(3,097)</u>	<u>9,061</u>
Increase (decrease) in net position of governmental activities	<u>\$</u>	<u>86,130</u>

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

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental
	Sanitary Sewer	Stormwater	Water	Municipal Parking	Solid Waste and Recycling	Community		Internal Service Funds
			Treatment and Distribution Services			Planning and Economic Development		
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 24,807	\$ 15,484	\$ 53,082	\$ 3,701	\$ 18,628	\$ -	\$ 115,702	\$ 204,793
Investments with trustees	-	-	-	-	-	24,843	24,843	-
Receivables:								
Accounts - net	9,067	4,296	8,899	1,037	6,118	-	29,417	322
Special assessments:								
Current	3,114	981	2,707	843	1,950	-	9,595	-
Delinquent	73	99	237	-	104	-	513	-
Noncurrent	1,125	-	1,653	543	-	-	3,321	-
Due from other governmental agencies	-	8,671	-	2,892	2	-	11,565	-
Accrued interest	-	-	-	-	-	153	153	-
Inventories	-	-	4,241	-	1,486	-	5,727	8,837
Prepaid items	4,475	283	-	-	-	-	4,758	6,921
Total current assets	<u>42,661</u>	<u>29,814</u>	<u>70,819</u>	<u>9,016</u>	<u>28,288</u>	<u>24,996</u>	<u>205,594</u>	<u>220,873</u>
Long-term assets:								
Capital assets:								
Nondepreciable/amortizable:								
Land and easements	1	7,211	5,347	109,735	4,179	3,848	130,321	23,007
Construction in progress	30,711	85,300	52,974	1,375	1,388	-	171,748	21,292
Depreciable/amortizable:								
Land lease - amortizable	-	-	-	5,689	-	-	5,689	-
Less accumulated amortization	-	-	-	(1,595)	-	-	(1,595)	-
Leased buildings	-	-	-	-	-	-	-	4,077
Less accumulated amortization	-	-	-	-	-	-	-	(1,634)
Leased Equipment	-	-	-	-	-	-	-	1,992
Less accumulated amortization	-	-	-	-	-	-	-	(1,434)
Software Subscriptions	-	-	-	-	-	-	-	29,436
Less accumulated amortization	-	-	-	-	-	-	-	(8,856)
Buildings and structures	-	-	260,164	292,318	36,411	12,743	601,636	55,560
Less accumulated depreciation	-	-	(128,913)	(173,550)	(5,184)	(12,743)	(320,390)	(38,152)
Public improvements	275,690	499,788	332,978	8,089	3,663	-	1,120,208	21,493
Less accumulated depreciation	(84,283)	(157,308)	(109,433)	(5,279)	(672)	-	(356,975)	(9,253)
Equipment and other capital outlay	1,624	1,941	115,416	18,070	29,166	-	166,217	190,911
Less accumulated depreciation	(1,624)	(1,939)	(46,805)	(12,830)	(20,712)	-	(83,910)	(127,497)
Software	-	1,494	302	130	955	-	2,881	69,836
Less accumulated depreciation	-	(1,494)	(302)	(130)	(955)	-	(2,881)	(63,595)
Total long - term assets	<u>222,119</u>	<u>434,993</u>	<u>481,728</u>	<u>242,022</u>	<u>48,239</u>	<u>3,848</u>	<u>1,432,949</u>	<u>167,183</u>
Total assets	<u>\$ 264,780</u>	<u>\$ 464,807</u>	<u>\$ 552,547</u>	<u>\$ 251,038</u>	<u>\$ 76,527</u>	<u>\$ 28,844</u>	<u>\$ 1,638,543</u>	<u>\$ 388,056</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows - other postemployment benefits	\$ 1,030	\$ 2,945	\$ 3,755	\$ 1,008	\$ 2,482	\$ -	\$ 11,220	\$ 5,256
Deferred outflows - pensions	464	1,249	1,930	463	1,075	-	5,181	2,735
Total deferred outflows of resources	<u>\$ 1,494</u>	<u>\$ 4,194</u>	<u>\$ 5,685</u>	<u>\$ 1,471</u>	<u>\$ 3,557</u>	<u>\$ -</u>	<u>\$ 16,401</u>	<u>\$ 7,991</u>

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

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities	
	Sanitary Sewer	Stormwater	Water Treatment and Distribution Services	Municipal Parking	Solid Waste and Recycling	Community Planning and Economic Development	Total	Internal Service Funds
LIABILITIES								
Current liabilities:								
Salaries payable	\$ 209	\$ 561	\$ 922	\$ 224	\$ 508	\$ 5	\$ 2,429	\$ 1,363
Accounts payable	3,575	1,761	4,730	3,306	1,296	1,694	16,362	11,063
Intergovernmental payable	-	7	40	22	326	-	395	30
Deposits held for others	-	-	302	1,729	-	-	2,031	-
Interest payable	183	172	619	118	62	34	1,188	524
Unearned revenue	-	-	-	-	-	214	214	1,149
Bonds payable - current portion	6,850	4,160	9,450	5,355	685	-	26,500	-
Notes payable - current portion	-	-	8,610	2,825	-	-	11,435	-
Compensated absences payable - current portion	423	1,228	1,880	417	970	-	4,918	5,089
Other postemployment benefits - current portion	106	304	388	104	256	-	1,158	543
Software Subscriptions - current portion	-	-	-	-	-	-	-	4,973
Lease liability - current portion	-	-	-	507	-	-	507	1,098
Medical claims payable - current portion	-	-	-	-	-	-	-	9,255
Unpaid claims payable - current portion	-	-	-	-	-	-	-	47,285
Total current liabilities	<u>11,346</u>	<u>8,193</u>	<u>26,941</u>	<u>14,607</u>	<u>4,103</u>	<u>1,947</u>	<u>67,137</u>	<u>82,372</u>
Long-term liabilities:								
Bonds payable	55,102	43,681	90,176	13,858	18,783	-	221,600	-
Notes payable	-	-	44,740	23,220	-	-	67,960	-
Compensated absences payable	174	507	775	172	400	-	2,028	17,874
Lease liability	-	-	-	3,651	-	-	3,651	1,992
Software Subscriptions liability	-	-	-	-	-	-	-	12,639
Other postemployment benefits	1,697	4,848	6,181	1,659	4,085	-	18,470	8,650
Net pension liability	3,112	8,386	12,958	3,108	7,218	-	34,782	18,353
Unpaid claims payable	-	-	-	-	-	-	-	180,670
Total long-term liabilities	<u>60,085</u>	<u>57,422</u>	<u>154,830</u>	<u>45,668</u>	<u>30,486</u>	<u>-</u>	<u>348,491</u>	<u>240,178</u>
Total liabilities	<u>\$ 71,431</u>	<u>\$ 65,615</u>	<u>\$ 181,771</u>	<u>\$ 60,275</u>	<u>\$ 34,589</u>	<u>\$ 1,947</u>	<u>\$ 415,628</u>	<u>\$ 322,550</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows - other postemployment benefits	\$ 81	\$ 232	\$ 295	\$ 79	\$ 195	\$ -	\$ 882	414
Deferred inflows - pensions	1,354	3,648	5,637	1,352	3,140	-	15,131	7,982
Total deferred inflows of resources	<u>\$ 1,435</u>	<u>\$ 3,880</u>	<u>\$ 5,932</u>	<u>\$ 1,431</u>	<u>\$ 3,335</u>	<u>\$ -</u>	<u>\$ 16,013</u>	<u>\$ 8,396</u>
NET POSITION								
Net investment in capital assets	\$ 159,355	\$ 390,389	\$ 346,690	\$ 192,160	\$ 28,510	\$ 3,848	\$ 1,120,952	\$ 146,279
Restricted - debt service	-	-	-	-	-	26,495	26,495	-
Unrestricted	34,053	9,117	23,839	(1,357)	13,650	(3,446)	75,856	(81,178)
Total net position	<u>\$ 193,408</u>	<u>\$ 399,506</u>	<u>\$ 370,529</u>	<u>\$ 190,803</u>	<u>\$ 42,160</u>	<u>\$ 26,897</u>	<u>\$ 1,223,303</u>	<u>\$ 65,101</u>
Net position - total enterprise funds							\$ 1,223,303	
Some amounts reported for business-type activities in the statement of net position are different because internal service fund assets and liabilities are included with business-type activities.							(43,170)	
Net position of business-type activities							<u>\$ 1,180,133</u>	

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental
	Sanitary Sewer	Stormwater	Water Treatment and Distribution Services	Municipal Parking	Solid Waste and Recycling	Community Planning and Economic Development		Internal Service Funds
Operating revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 338	\$ -	\$ -	\$ 338	\$ -
Licenses and permits	-	-	116	796	-	-	912	-
Intergovernmental revenues	-	268	-	-	8	-	276	284
Charges for services and sales	92,881	46,359	92,094	67,076	46,266	47	344,723	225,901
Special assessments	2,135	1,110	2,759	-	1,799	-	7,803	-
Rents and commissions	-	-	-	102	-	916	1,018	42,217
Total operating revenues	95,016	47,737	94,969	68,312	48,073	963	355,070	268,402
Operating expenses:								
Personnel costs	6,044	15,696	22,987	6,623	18,245	161	69,756	49,547
Contractual services	17,027	17,192	24,620	41,348	28,207	255	128,649	134,586
Materials, supplies, services and other	50,764	4,937	13,741	3,342	2,616	850	76,250	73,461
Depreciation and amortization	3,563	5,261	15,455	8,131	2,433	-	34,843	22,090
Total operating expenses	77,398	43,086	76,803	59,444	51,501	1,266	309,498	279,684
Operating income (loss)	17,618	4,651	18,166	8,868	(3,428)	(303)	45,572	(11,282)
Nonoperating revenues (expenses):								
Intergovernmental	2,453	10,166	592	142	2,050	-	15,403	838
Investment earnings	-	-	-	-	-	636	636	-
Interest expense	(1,469)	(1,552)	(3,819)	(1,341)	(649)	-	(8,830)	(640)
Special assessments	-	-	1,202	-	-	-	1,202	-
Other revenues	-	-	76	-	-	-	76	3,700
Other expenses	-	-	-	-	-	-	-	(3)
Total nonoperating revenues (expenses)	984	8,614	(1,949)	(1,199)	1,401	636	8,487	3,895
Income (loss) before transfers	18,602	13,265	16,217	7,669	(2,027)	333	54,059	(7,387)
Transfers in (out):								
Transfers from other funds	-	-	1,061	-	471	-	1,532	495
Transfers to other funds	(1,020)	(1,719)	-	(2,646)	-	-	(5,385)	-
Total transfers	(1,020)	(1,719)	1,061	(2,646)	471	-	(3,853)	495
Change in net position	17,582	11,546	17,278	5,023	(1,556)	333	50,206	(6,892)
Net position - January 1	175,826	387,960	353,251	185,780	43,716	26,564	1,173,097	71,993
Net position - December 31	\$ 193,408	\$ 399,506	\$ 370,529	\$ 190,803	\$ 42,160	\$ 26,897	\$ 1,223,303	\$ 65,101

Change in net position - total enterprise funds \$ 50,206

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities. (1,598)

Change in net position of business-type activities \$ 48,608

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental
	Sanitary Sewer	Stormwater	Water Treatment and Distribution Services	Municipal Parking	Solid Waste and Recycling	Community Planning and Economic Development		Internal Service Funds
Cash flows from operating activities:								
Cash received from customers	\$ 93,415	\$ 47,840	\$ 93,100	\$ 68,851	\$ 47,144	\$ 900	\$ 351,250	\$ 16,521
Intergovernmental receipts	-	-	-	-	8	-	8	38,044
Cash received from interfund activities	9	32	875	238	11	-	1,165	224,546
Payments to suppliers	(57,154)	(16,218)	(18,962)	(36,656)	(25,558)	(682)	(155,230)	(167,424)
Payments to employees	(6,454)	(13,205)	(23,919)	(6,893)	(15,915)	(159)	(66,545)	(51,183)
Payments for interfund activities	(10,193)	(7,001)	(19,774)	(8,063)	(8,211)	-	(53,242)	(10,780)
Other nonoperating revenues	-	-	76	-	-	-	76	3,697
Net cash provided (used) by operating activities	19,623	11,448	31,396	17,477	(2,521)	59	77,482	53,421
Cash flows from non-capital financing activities:								
Transfers from other funds	-	-	1,061	-	471	-	1,532	686
Transfers to other funds	(1,020)	(1,719)	-	(2,646)	-	-	(5,385)	-
Intergovernmental receipts	2,453	1,962	592	142	2,050	-	7,199	650
Net cash provided (used) by non-capital financing activities	1,433	243	1,653	(2,504)	2,521	-	3,346	1,336
Cash Flows from capital and related financing activities:								
Bonds issued	11,470	8,849	12,723	-	-	-	33,042	-
Principal paid on bonds	(5,163)	(3,735)	(9,835)	(7,760)	(595)	-	(27,088)	-
Interest paid on bonds	(1,940)	(1,883)	(3,456)	(653)	(759)	-	(8,691)	-
Principal paid on notes	-	-	(6,890)	(290)	-	-	(7,180)	-
Interest paid on notes	-	-	(1,019)	(1,033)	-	-	(2,052)	-
Principal paid on leases	-	-	-	(514)	-	-	(514)	(1,151)
Interest paid on leases	-	-	-	(54)	-	-	(54)	-
Special assessments	-	-	1,202	243	-	-	1,445	-
Acquisition and construction of capital assets	(18,679)	(27,109)	(32,312)	(1,428)	(1,974)	-	(81,502)	(22,462)
Principal paid on software subscriptions	-	-	-	-	-	-	-	(5,682)
Interest paid on software subscriptions	-	-	-	-	-	-	-	(640)
Bond issuance costs	(38)	(20)	-	-	-	-	(58)	-
Net cash provided (used) by capital and related financing activities	(14,350)	(23,898)	(39,587)	(11,489)	(3,328)	-	(92,652)	(29,935)
Cash flows from investing activities:								
Purchase of investments	-	-	-	-	-	(1,871)	(1,871)	-
Sale of investments	-	-	-	-	-	1,181	1,181	-
Interest	-	-	-	-	-	631	631	-
Net cash provided (used) by investing activities	-	-	-	-	-	(59)	(59)	-
Net increase (decrease) in cash and cash equivalents	6,706	(12,207)	(6,538)	3,484	(3,328)	-	(11,883)	24,822
Cash and cash equivalents, beginning of year	18,101	27,691	59,620	217	21,956	-	127,585	179,971
Cash and cash equivalents, end of year	\$ 24,807	\$ 15,484	\$ 53,082	\$ 3,701	\$ 18,628	\$ -	\$ 115,702	\$ 204,793
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 17,618	\$ 4,651	\$ 18,166	\$ 8,868	\$ (3,428)	\$ (303)	\$ 45,572	\$ (11,282)
Adjustment to reconcile change in net position to net cash provided (used) by operating activities:								
Depreciation and amortization	3,563	5,261	15,455	8,131	2,433	-	34,843	22,089
Accounts receivable	(315)	594	(449)	126	(256)	-	(300)	4,621
Intergovernmental receivable	-	(268)	-	629	(655)	-	(294)	-
Special assessments receivable	(1,277)	(191)	(671)	-	-	-	(2,139)	-
Inventories	-	-	(336)	-	314	-	(22)	(95)
Prepaid items	(379)	(67)	-	-	-	-	(446)	(2,375)
Deferred outflows - other postemployment benefits	358	(61)	572	136	428	-	1,433	684
Deferred outflows - pensions	531	728	2,030	468	869	-	4,626	2,531
Salaries payable	40	63	231	63	169	1	567	249
Accounts payable	1,182	(997)	499	(32)	(1,139)	425	(62)	1,079
Interest Payable	-	-	-	-	-	(1)	(1)	296
Intergovernmental payable	-	7	28	3	(347)	-	(309)	-
Deposits held for others	-	-	127	21	-	-	148	-
Unearned revenue	-	-	-	-	-	(63)	(63)	(330)
Compensated absences payable	172	838	1,039	207	562	-	2,818	2,715
Other postemployment benefits	(255)	878	156	67	30	-	876	393
Net pension liability	(1,739)	(1,254)	(6,349)	(1,430)	(2,260)	-	(13,032)	(7,321)
Unpaid claims payable	-	-	-	-	-	-	-	35,926
Medical claims payable	-	-	-	-	-	-	-	(1,040)
Deferred inflows - other postemployment benefits	(38)	(15)	(74)	(18)	(53)	-	(198)	(94)
Deferred inflows - pensions	162	1,281	896	238	812	-	3,389	1,679
Other nonoperating revenues	-	-	76	-	-	-	76	3,696
Net cash provided (used) by operating activities	\$ 19,623	\$ 11,448	\$ 31,396	\$ 17,477	\$ (2,521)	\$ 59	\$ 77,482	\$ 53,421
Non-cash investing, capital and financing activities:								
Increase (decrease) in the value of investments reported at fair value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189	\$ 189	\$ -
Capital assets purchased on account	1,887	263	480	446	263	-	3,339	-
Leases issued	-	-	-	-	-	-	-	637
Software subscriptions issued	-	-	-	-	-	-	-	10,641

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

**CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

		Total Custodial Funds
<u>ASSETS</u>		
Cash and cash equivalents		\$ 2,428
Receivables:		
Intergovernmental		9
Accrued interest		10
Prepaid items		<u>2</u>
Total assets		<u>\$ 2,449</u>
<u>LIABILITIES</u>		
Accounts payable		\$ 22
Intergovernmental payable		182
Unearned revenue		<u>1,141</u>
Total liabilities		<u>\$ 1,345</u>
<u>NET POSITION</u>		
Restricted for:		
Other governments		<u>\$ 1,104</u>

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

CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>Total Custodial Funds</u>
<u>ADDITIONS</u>	
Intergovernmental revenues	\$ 1,720
Development fees	48
Investment earnings	74
Miscellaaneous revenues	<u>12</u>
Total additions	<u>1,854</u>
<u>DEDUCTIONS</u>	
General government	1,900
Legal services	<u>45</u>
Total deductions	<u>1,945</u>
Net increase (decrease) in fiduciary net position	(91)
Net Position - January 1	<u>1,195</u>
Net Position - December 31	<u><u>\$ 1,104</u></u>

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

**COMBINING STATEMENT OF NET POSITION
DISCRETE COMPONENT UNITS
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Minneapolis Park and Recreation Board	Municipal Building Commission	Meet Minneapolis	Total Discrete Component Units
<u>ASSETS</u>				
Cash and cash equivalents	\$ 83,098	\$ 1,494	\$ 2,136	\$ 86,728
Receivables	11,571	4,636	493	16,700
Prepays and other assets	647	-	310	957
Inventories	104	-	6	110
Capital assets:				
Nondepreciable/nonamortizable	168,219	61,535	-	229,754
Depreciable/amortizable, net	272,700	1,353	3,131	277,184
Total assets	\$ 536,339	\$ 69,018	\$ 6,076	\$ 611,433
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows - other postemployment benefits	\$ 896	\$ 109	\$ -	\$ 1,005
Deferred outflows - pensions	12,336	274	-	12,610
Total deferred outflows of resources	\$ 13,232	\$ 383	\$ -	\$ 13,615
<u>LIABILITIES</u>				
Accrued salaries and benefits	\$ 2,598	\$ 214	\$ 954	\$ 3,766
Accounts payable	5,872	1,450	198	7,520
Deposits held for others	13,213	24	-	13,237
Unearned revenue	-	-	135	135
Long-term liabilities:				
Due within one year	132	-	335	467
Due beyond one year	5,407	-	3,002	8,409
Compensated absences:				
Due within one year	5,692	341	-	6,033
Due beyond one year	1,655	47	-	1,702
Other postemployment benefits				
Due within one year	84	91	-	175
Due beyond one year	1,334	512	-	1,846
Net pension liability	39,469	2,826	-	42,295
Total liabilities	\$ 75,456	\$ 5,505	\$ 4,624	\$ 85,585
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows - public-public-partnership agreement	\$ 3,270	\$ -	\$ -	\$ 3,270
Deferred inflows - other postemployment benefits	69	66	-	135
Deferred inflows - pensions	24,279	1,076	-	25,355
Total deferred inflows of resources	\$ 27,618	\$ 1,142	\$ -	\$ 28,760
<u>NET POSITION</u>				
Net investment in capital assets	\$ 438,773	\$ 62,888	\$ 907	\$ 502,568
Restricted:				
Capital improvements	1,068	-	-	1,068
Project and grant programs	29,322	-	-	29,322
Special trust	216	-	-	216
Special reserves	4,753	-	-	4,753
Donor restrictions	-	-	246	246
Unrestricted	(27,635)	(134)	299	(27,470)
Total net position	\$ 446,497	\$ 62,754	\$ 1,452	\$ 510,703

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

**COMBINING STATEMENT OF ACTIVITIES
DISCRETE COMPONENT UNITS
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS , MINNESOTA

(In Thousands)

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Minneapolis Park and Recreation Board	Municipal Building Commission	Meet Minneapolis	Total Discrete Component Units
Minneapolis Park and Recreation Board	\$ 162,722	\$ 30,369	\$ 5,965	\$ 26,132	\$ (100,256)	\$ -	\$ -	\$ (100,256)
Municipal Building Commission	8,618	10,108	-	11,584	-	13,074	-	13,074
Meet Minneapolis	14,769	12,476	961	-	-	-	(1,332)	(1,332)
Total discrete component unit activities	<u>\$ 186,109</u>	<u>\$ 52,953</u>	<u>\$ 6,926</u>	<u>\$ 37,716</u>	<u>(100,256)</u>	<u>13,074</u>	<u>(1,332)</u>	<u>(88,514)</u>
General Revenues:								
Taxes:								
General property tax and fiscal disparities					80,042	-	-	80,042
Museum (county-wide levy)					19,505	-	-	19,505
Local government aid - unrestricted					9,605	-	-	9,605
Grants and contributions not restricted to specific programs					1,555	235	-	1,790
Unrestricted interest and investment earnings					1,519	-	-	1,519
Other					197	9	167	373
Total general revenues					<u>112,423</u>	<u>244</u>	<u>167</u>	<u>112,834</u>
Change in net position					12,167	13,318	(1,165)	24,320
Net Position - January 1					434,795	49,436	2,617	486,848
Restatement (see Note 1R)					(465)	-	-	(465)
Net position - January 1, as restated					<u>434,330</u>	<u>49,436</u>	<u>2,617</u>	<u>486,383</u>
Net position - December 31					<u>\$ 446,497</u>	<u>\$ 62,754</u>	<u>\$ 1,452</u>	<u>\$ 510,703</u>

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

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Minneapolis (City) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A – Reporting Entity

The City is a municipal corporation governed by a Mayor-Council form of government. It was incorporated in 1867, and it adopted a Charter on November 2, 1920. The Mayor and 13 City Council Members from individual wards are elected for terms of four years without limit on the number of terms that may be served. The Mayor and City Council are jointly responsible for the annual preparation of a budget and a five-year capital improvement program. The Mayor has veto power, which the Council may override with a vote of nine members. The City employs a Finance Officer who is charged with maintaining and supervising the various accounts and funds of the City as well as several boards and commissions.

As required by GAAP, the basic financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's basic financial statements to be misleading or incomplete.

Blended Component Unit

The following component unit has been presented as a blended component unit because the component unit's governing body is substantially the same as the governing body of the City, or the component unit provides services almost entirely to the primary government.

▪ Board of Estimate and Taxation

The Board of Estimate and Taxation (BET) is established under Article V of the City Charter. It is composed of six members, two of whom are elected by voters of the City. The Mayor, or the Mayor's appointee, the President of the City Council, and the Chair of the City Council's Ways and Means/Budget Committee are ex-officio members of the board. The Minneapolis Park and Recreation Board annually selects one of its members to serve on the Board of Estimate and Taxation. By action of the City Council, or such other governing board of a department requesting the sale of bonds, the Board of Estimate and Taxation may vote to incur indebtedness and issue and sell bonds and pledge the full faith and credit of the City for payment of principal and interest. The Board of Estimate and Taxation also establishes the maximum property tax levies for most City funds. The City has both a voting majority and operational responsibility over the BET. It is these criterions that results in the BET being reported as a blended component unit. No separately issued financials are prepared.

Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of the City's other component units. The units are reported in a separate column to emphasize that they are legally separate from the City but are included because the primary government is financially accountable and is able to impose its will on the organizations. These units subscribe to the accounting policies and procedures of the primary government.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A – Reporting Entity****Discretely Presented Component Units (continued)****▪ Minneapolis Park and Recreation Board**

The Minneapolis Park and Recreation Board (Park Board) was established according to Article VI of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways as well as planting and maintaining the City's boulevard trees. Also, the City has no operational responsibility over the Park Board. It is these criterions that results in the Park Board being reported as a discrete component unit. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocation of the state's local government aid for Park Board operations. All Park Board actions are submitted to the Mayor and a mayoral veto may be overridden by a vote of two thirds of the members of the Park Board. The Board of Estimate and Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secures debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board. Complete financial statements for the Park Board can be obtained from the Minneapolis Park and Recreation Board at 2117 West River Road, Minneapolis, Minnesota, 55411.

▪ Municipal Building Commission

The Municipal Building Commission (MBC) is an organization established on January 4, 1904, by the State of Minnesota, to operate and maintain the City Hall/County Court House Building, which was erected pursuant to Chapter 395 of the Special Laws of 1887. The four commissioners are, the Chairman of the Hennepin County Board of Commissioners, the Mayor of the City of Minneapolis, an appointee of the Hennepin County Board, and an appointee of the Minneapolis City Council. It is this criterion that results in the MBC being reported as a discretely presented component unit. The Mayor recommends the tax levy and budget for the City's share of the MBC's operations and the City Council and Mayor approve the allocation of the state's local governmental aid to the MBC. The MBC does not issue separate financial statements.

▪ Meet Minneapolis

Greater Minneapolis Convention and Visitors Association (d.b.a. Meet Minneapolis) was incorporated on July 29, 1987. The Association was organized to promote the City of Minneapolis (the City) as a major destination for conventions and visitor travel, and to achieve maximum utilization of the Minneapolis Convention Center. Toward this purpose, the Association receives a majority of its funding through annual contracts with the City and the state of Minnesota. The Association is a nonprofit corporation under Section 501 (c) (6) of the Internal Revenue Code. Management also has no operational responsibility over Meet Minneapolis. Based on its relationship with the City, it would be misleading to exclude Meet Minneapolis as a component unit. It is this criterion that results in Meet Minneapolis being reported as a discretely presented component unit. Complete financial statements for Meet Minneapolis can be obtained from Meet Minneapolis at 801 Marquette Avenue South, Suite 100, Minneapolis, Minnesota 55402.

Related Organizations

The City's officials are also responsible for appointing members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The following organizations are related organizations, which have not been included in the reporting entity:

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A – Reporting Entity****Related Organizations (continued)****▪ Minnesota Sports Facilities Authority**

On May 14, 2012, Governor Mark Dayton signed into law a stadium bill which provided for construction and operation of a new National Football League stadium located on the former site of the Metrodome. The bill established a new Minnesota Sports Facilities Authority (MSFA) and required that members be appointed within 30 days. The bill also required the Metropolitan Sports Facilities Commission (MSFC) transfer its assets, liabilities, and obligations to the MSFA within 90 days and then abolish the MFSC. The City was obligated to provide funding to build and maintain the new stadium. The MSFA was charged with the design, construction and operation of the new multi-purpose stadium. The MSFA consists of five members. Three authority members, including the chair, are appointed by the governor. Two authority members are appointed by the City of Minneapolis. Complete financial statements for the MSFA can be obtained from the Minnesota Sports Facilities Authority at 900 South Fifth Street, Minneapolis, Minnesota, 55415-1903.

▪ Minneapolis Public Housing Authority

The Minneapolis Public Housing Authority (MPHA) is the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis. A nine-member Board of Commissioners governs MPHA. The Mayor of Minneapolis appoints the Board Chairperson and four Commissioners, and the City Council appoints four Commissioners (one of whom must be a public housing family development resident).

The mission of the MPHA is to provide well-managed high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing; and to assist public housing residents in realizing goals of economic independence and self-sufficiency. Complete financial statements for the MPHA can be obtained from the Minneapolis Public Housing Authority at 1001 Washington Avenue North, Minneapolis, Minnesota, 55401-1043.

▪ Minneapolis Telecommunications Network

The Minneapolis Telecommunication Network (MTN) is a nonprofit corporation organized by the City in 1983 under Minnesota Statutes, Chapter 317. The MTN provides public access media programming to residents of the City as well as providing media production training. Support for the MTN comes from Public, Education, and Government (PEG) fees collected as part of agreements between the City and cable service providers. These agreements require cable companies to provide support for public, educational, and government access TV channels. The City Council and Mayor appoint the nine members of the board. There are up to three ex-officio members representing the City of Minneapolis, Comcast Cable, and the Minneapolis Public Schools. Complete financial statements for the MTN can be obtained from the Minneapolis Telecommunications Network at 1620 Central Avenue Suite 175, Minneapolis, Minnesota, 55413-1674.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A – Reporting Entity (continued)****Joint Ventures**

The City is a participant in several joint ventures in which it retains an ongoing financial interest or an ongoing financial responsibility.

▪ Minneapolis-Duluth/Superior Passenger Rail Alliance

The Minneapolis-Duluth/Superior Passenger Rail Alliance (also known as the “Northern Lights Express”) was established under a joint powers agreement between Anoka County, Hennepin County, Isanti County, Pine County, St. Louis and Lakes Counties Regional Railroad Authority, City of Duluth, City of Minneapolis, and Douglas County (Wisconsin) to explore options for the development of rail transportation between the Twin Cities and Duluth Superior metropolitan areas. The Mille Lacs Band of Ojibwe joined the Alliance in 2011. The City of Superior, Wisconsin joined the Alliance in 2016. Isanti County elected to not participate as a voting member and was replaced by the City of Cambridge in 2016. The Board consists of one elected official selected by each party in the Alliance. Each party also appoints an alternate member. The City of Minneapolis pays an annual membership fee to the Alliance to cover the costs of activities. The percentage share of the City in the Alliance’s assets, liabilities, and equity cannot be determined at fiscal year-end. St. Louis and Lake Counties Regional Railroad Authority serves as the fiscal agent. Complete financial statements for the Minneapolis-Duluth/Superior Passenger Rail Alliance can be obtained from the St. Louis and Lakes Counties Regional Railroad Authority at 111 Station 44 Road, Eveleth, Minnesota 55734.

▪ Minneapolis/Saint Paul Housing Finance Board

The Minneapolis/Saint Paul Housing Finance Board was established in accordance with a joint powers agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the City of Minneapolis and accepted by both cities under State of Minnesota laws. The Board was created for the public purpose of providing decent, safe, sanitary and affordable housing to the residents of the City of Saint Paul and the City of Minneapolis. The powers exercised by the Board include the power to undertake financing programs to implement individual components of the housing plan for each city and to issue revenue bonds to finance such programs. All bonds are special limited obligations of the Board and shall be payable only out of funds specifically pledged for each issue. The City of Minneapolis oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis. The percentage share of the City in the Board's assets, liabilities and equity cannot be determined at fiscal year-end. Complete financial statements for the Minneapolis/Saint Paul Housing Finance Board can be obtained from the City of Minneapolis CPED office at City of Minneapolis – Community Planning and Economic Development, 505 4th Ave So #320, Minneapolis Minnesota 55415.

▪ Minneapolis Youth Coordinating Board

The Minneapolis Youth Coordinating Board (YCB) was established in accordance with a joint powers agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The YCB, which numbers 10 in size, includes the Mayor, two members each from the Hennepin County Board of Commissioners and the Board of Directors of Special School District No. 1, two representatives from the City Council, one member from the Park Board, the Hennepin County Attorney, and a Judge assigned by the Chief Judge of the District Court. The percentage of each jurisdiction's share in the YCB’s assets, liabilities and equity cannot be determined at fiscal year-end. Complete financial statements for the YCB can be obtained from the Minneapolis Youth Coordinating Board at 330 2nd Avenue South, Room 540, Minneapolis, Minnesota 55401.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A – Reporting Entity****Joint Ventures (continued)****▪ Metropolitan Emergency Services Board**

The Metropolitan Emergency Services Board (MESB) was established by a joint powers agreement pursuant to Minn. Stat. sec. 471.59 between the Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the City of Minneapolis, for the implementation and administration of a regional 911 system. Chisago County entered this agreement effective October 1, 2006. Isanti County joined the joint powers agreement effective January 1, 2010. Sherburne County joined the joint powers agreement effective January 1, 2019. The Board consists of commissioners from each of the member counties and a council member from the City.

There is a financial obligation if MESB incurs any liability for damages arising from any of its activities under the joint powers agreement. There is a formula to assess the participants in the agreement. Washington County serves as the fiscal agent. Current financial statements of the Metropolitan Emergency Services Board are available at the 911 Board Office, 2099 University Avenue, West Saint Paul, Minnesota 55104-3431.

▪ Mississippi Watershed Management Organization

The Mississippi Watershed Management Organization (MWMO) encompasses 25,543 acres (39.9 square miles) of fully-developed urban lands and waters within the Minneapolis—Saint Paul metropolitan core area. The current members include the cities of Lauderdale, Columbia Heights, Fridley, Hilltop, Minneapolis, Saint Anthony Village, Saint Paul and the Minneapolis Park and Recreation Board. These entities entered a new, revised joint and cooperative agreement (i.e., joint powers agreement under MS Section 471.59) that now form the MWMO. Current financial statements of the Mississippi Watershed Management Organization are available at the MWMO Stormwater Park and Learning Center, 2522 Marshall Street NE, Minneapolis, Minnesota 55418-3329.

▪ Shingle Creek Watershed Management Commission

The City is one of nine member cities of the Shingle Creek Watershed Management Commission (SCWMC), a joint powers organization formed to assist its members' preservation and use of natural water storage and retention systems. The original nine cities with land in the Shingle Creek watershed entered into a joint powers agreement to form the Shingle Creek Water Management Organization, governed by a citizen Commission with one representative from each city. In addition to Minneapolis, the other participating cities are Brooklyn Center, Brooklyn Park, Crystal, Maple Grove, New Hope, Osseo, Plymouth, and Robbinsdale. Current financial statements of the Shingle Creek Watershed Management Commission are available by contacting them at 3235 Fernbrook Lane N, Plymouth, Minnesota 55447.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A – Reporting Entity****Joint Ventures (continued)****▪ Bassett Creek Watershed Management Commission**

The City is one of nine member cities of the Bassett Creek Watershed Management Commission (BCWMC), a joint powers organization formed to assist its members' preservation and use of natural water storage and retention systems. Each member city is entitled to appoint one representative to BCWMC board. The nine-member board develops a budget for the year each July 1. Each member City contributes funds to cover the budgeted costs of operations-based half on the assessed valuation of all taxable property, and half on the total area each member city has within the boundaries of the watershed. Any capital costs incurred by the BCWMC are apportioned to the members-based half on the real property valuation of each member city within the watershed, and half on the total area each member city has within the boundaries of the watershed. Current financial statements of the Bassett Creek Watershed Management Commission are available on its website at www.bassettcreekwmo.org.

B – Basis of Presentation**Government-Wide Financial Statements**

The *statement of net position* and *statement of activities* display information about the primary government (the City) and its component units using the economic resources measurement focus and the full accrual basis of accounting. Governmental funds recognize revenue in the accounting period in which they become susceptible to accrual. Susceptible to accrual means that revenues are both measurable and available to finance expenditures of the fiscal period. Financial resources are available only to the extent that they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The availability period used for revenue recognition is generally 60 days. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider, if any, have been met. These statements include the financial activities of the overall government, except for fiduciary activities. Generally, interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities, except in those instances where the elimination of activities would distort the direct costs and program revenues reported for the various functions concerned. These statements distinguish between *governmental* and *business-type activities* of the City and between the City and its discretely presented 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 charged to external parties.

The *statement of activities* presents a comparison between direct expenses and program revenues for each segment of the *business-type* activities of the City and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

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

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**B – Basis of Presentation (continued)****Fund Financial Statements**

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund financial statements provide information about the City's funds. The City's funds include fiduciary funds and a blended component unit; the Board of Estimate and Taxation, a non-major special revenue fund. Funds are classified into three categories: *Governmental*, *Proprietary*, and *Fiduciary*, each category is divided into separate fund types. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Governmental Funds

All governmental funds are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Unearned revenue is reported in the governmental funds and government-wide financial statements in connection with resources that have been received but not earned. Tax revenues are recognized in the year for which the taxes are levied. Property tax levies are approved and certified to the County in December prior to the year collectible. The County acts as a collection agency. Such tax levies constitute a lien on the property on January 1st of the year collectible. Taxes are payable to the County in two installments by the fifteenth day of May and the fifteenth day of October. City property taxes are recognized as revenues when they become measurable and available to finance expenditures of the current period.

Major revenues that are determined to be susceptible to accrual include property taxes, special assessments, grants-in-aid, intergovernmental revenues, rentals, and intra-city charges. Interest on investments, short-term notes and loans receivable are accrued; interest on special assessments receivable is not accrued. Major revenues that are determined not to be susceptible to accrual because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes and assessments, licenses, permits, fines and forfeitures. Issuances of long-term debt and acquisitions under leases and software subscriptions are reported as other financing sources in governmental fund financial statements.

Governmental fund expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due. Compensated absences, which include accumulated unpaid vacation, accumulated unpaid sick, compensatory time and severance pay, are not payable from expendable available financial resources. Compensated absences are considered expenditures when paid to employees.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**B – Basis of Presentation****Governmental Funds (continued)**

The accounting and reporting treatment applied to the assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending, or "financial flow," measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, as defined by GAAP, are generally included on the balance sheets. Reported fund balance (net current assets and deferred outflows of resources) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, governmental funds are said to present a summary of sources and uses of "available spendable resources" during a period.

Special reporting treatments are also applied to governmental fund inventories to indicate that the inventories do not represent "available spendable resources," even though they are a component of net current assets.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the government-wide statement of net position and statement of activities.

The City reports the following major governmental funds:

▪ General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund. For the City, the General Fund includes such activities as general government administration, public safety, public works, health and welfare, and community planning and economic development.

▪ Special Revenue Fund – Community Planning and Economic Development

This fund is used to account for the activities of the Department of Community Planning and Economic Development (CPED). CPED is responsible for promoting the City's planning and community development goals in the areas of housing development, economic development, community planning, development services, workforce development and strategic partnerships. The major source of revenue is property tax increment.

▪ Special Revenue Fund – Grants - Federal

This fund is used to account for all federal grants, except for those included in the HUD Consolidated Plan Special Revenue Fund, Permanent Improvement Capital Projects Fund, Police Special Revenue Fund, Enterprise and Internal Service Funds.

▪ Special Revenue Fund – HUD Consolidated Plan

This fund is used to account for federal formula-based grants received from the U.S. Department of Housing and Urban Development's Community Planning and Development Office.

▪ Capital Project Fund – Permanent Improvement

This fund is used to account for capital acquisition, construction and improvement projects including bridge construction, sidewalk construction, street construction, infrastructure projects and property services capital projects.

▪ Debt Service Fund – Special Assessment

This fund is used to account for debt supported by special assessments including Park Diseased Tree debt.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**B – Basis of Presentation****Proprietary Funds**

Proprietary funds are accounted for using the full accrual basis of accounting. Revenues are recognized when they are earned. Unbilled utility service receivables are recorded at year-end. Expenses are recognized when they are incurred. Compensated absences are considered expenses when they are incurred.

All proprietary funds are accounted for on an economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on the balance sheets. Their reported net positions are categorized as net investment in capital assets, restricted and unrestricted. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation and amortization of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation and amortization is reported on proprietary fund balance sheets.

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

Enterprise Funds

Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major enterprise funds:

- **Sanitary Sewer Fund**
This fund is used to account for sewage fees collected from customers connected to the City's sanitary sewer system and for all expenses of operating this system.
- **Stormwater Fund**
This fund is used to account for stormwater fees collected from customers, and for the City's street cleaning and other stormwater management activities.
- **Water Treatment and Distribution Services Fund**
This fund is used to account for the operation, maintenance and construction projects related to the water delivery system. This fund also accounts for the operations related to the billings for water, sewage and solid waste fees.
- **Municipal Parking Fund**
This fund is used to account for the operation, maintenance and construction of the City's parking facilities as well as on-street parking and the Municipal Impound Lot.
- **Solid Waste and Recycling Fund**
This fund is used to account for the revenues and expenses for solid waste collection, disposal and recycling activities.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **B – Basis of Presentation**
- Enterprise Funds (continued)**
- **Community Planning and Economic Development Fund**
 This fund is used to account for the enterprise fund activities of the Department of Community Planning and Economic Development.

Non-Major Funds

The City reports the following non-major governmental funds:

<p>Special Revenue Funds: Arena Reserve Board of Estimate and Taxation Downtown Assets Convention Center Self-Managed Special Service Districts Employee Retirement Grants – Other Police Neighborhood and Community Relations</p>	<p>Debt Service Funds: Community Development Agency Development General Debt Service</p>
--	--

Additionally, the City reports the following fund types:

- **Internal Service Funds**
 Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service funds used by the City include:
 - Engineering Materials and Testing
 - Intergovernmental Services
 - Property Services
 - Equipment Services
 - Public Works Stores
 - Self-Insurance

- **Custodial Funds**
 Financial statements of custodial funds are used to account for assets held by the City for fiduciary activities, for private organizations or other governments. They use the economic resources measurement focus and utilize the full accrual basis of accounting. Custodial funds are included in the Statement of Fiduciary Net Position and in the Statement of Changes in Fiduciary Net Position.
 - Minneapolis Youth Coordinating Board
 - Joint Board

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C – Budgets

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds.

The 2023 process for the 2024 budget involved the following:

January – early April*Department-level assessment of prior year and planning for current year*

Analysis of what a department accomplished over the past year leads it to assess its business plan and make appropriate changes to the plan for the next year. Featured elements are reported and the reports made public. This analysis and reporting is the Department Results Minneapolis program.

March*Preliminary prior year-end budget status report*

Finance presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited Annual Comprehensive Financial Report (ACFR) is not available until the second quarter of the year.

March – April*Capital Improvement Budget Development*

The City has a six-year capital improvement plan. The departments prepare and modify capital improvement proposals on an annual basis. Finance and Property Services, Community Planning and Economic Development (CPED), and the Capital Long-Range Improvements Committee (CLIC) review the capital improvement proposals of the departments. CLIC is the citizen advisory committee to the Mayor and the City Council on capital programming. Capital improvement proposals are due on or around April 1st each year.

April – June*Operating Budget Development*

Departments work in coordination with the Finance and Property Services Department to prepare department operating budgets based on programs. In addition to preparing operating budgets for programs, departments prepare proposals that describe policy and organizational changes with financial implications. The program proposals form the basis for the Mayor's budget meetings with departments held in June and July.

Capital Long-Range Improvement Committee (CLIC) Process

From April through June, the CLIC Committee reviews capital requests, hears presentations from submitting departments and rates the capital requests. They prepare comments about projects and summarize their final recommendations in a report called "The CLIC Report" which is provided to the Mayor and City Council in mid-July as the starting point for their decisions on the Six-Year Capital Plan.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**C – Budgets (continued)****June – August***Mayor's Recommended Budget*

The 2024 Mayor's Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, and staff from the Coordinator's Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15 of each year.

September*Maximum Proposed Property Tax Levy*

As a requirement of State law, the maximum proposed property tax levy increase is authorized September 30 by the Board of Estimate and Taxation (BET). The BET sets the maximum property tax levies for the City, the Municipal Building Commission, the Public Housing Authority, and the Minneapolis Park and Recreation Board.

September – November*City Council Budget Review and Development*

The City Council budget review and development process begins with a series of public hearings on the budget. Departments present their Mayor's Recommended Budget to the Ways and Means/Budget Committee which is comprised of all Council members. Following departmental budget hearings, the Ways and Means/Budget Committee amends and moves forward final budget recommendations to the full City Council. The Committee-recommended budget includes any and all changes that are recommended by the Committee to the Mayor's Recommended Budget.

Truth in Taxation

Truth in Taxation (TNT) property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay based upon the preliminary levies approved in September. These statements also indicate the dates when public hearings will be held to provide opportunities for public input. State law was changed in the 2009 legislative session to eliminate a separate TNT hearing in lieu of a mandate to allow public comments at the meeting at which the final budget adoption occurs. The City Council has maintained a separate hearing however as part of the regularly scheduled budget meetings. According to State law, the meeting at which the budget is adopted must be held after 6:00 p.m., on a date after November 24.

This Section Left Blank Intentionally

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**C – Budgets (continued)****December***City Council Budget Adoption*

The City Council adopts a final budget that reflects any and all changes made by the full Council to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, requests from departments for additional funds or positions made throughout the year are to be brought as amendments to the original budget resolutions before the Ways and Means/Budget Committee and the City Council for approval. The independent boards and commissions adopt their own operating budgets.

The legal level of budgetary control is at the department level within a fund. The City Coordinator's Office and the Public Works Department are considered to be legal levels of budgetary control within a fund even though budgetary data is presented at the level of the Departments within the Coordinator's Office and the Divisions within the Public Works Department. Budgetary amendments at the department/fund level must be approved by the City Council. Appropriations lapse at year-end.

Purchase orders, contracts and other commitments are recorded as encumbrances, which reserve appropriation authority. This accounting practice is an extension of formal budgetary integration in the general and special revenue funds.

D – Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the *Governmental Activities* column in the government-wide *Statement of Net Position*.

E – Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and investments with original maturities of three months or less from the date of purchase. The City maintains a general portfolio which is a pool of investments covering pooled cash and cash equivalents for the primary government as well as the discretely presented component units of the Municipal Building Commission and the Minneapolis Park and Recreation Board. The City has contracted with investment management firms for management of some of these investments. The City also, from time to time, invests non-pooled cash within individual funds, which are reported as fund investments. All investments are reported at fair value.

Investment earnings in the investment pool, net of daily amortization of premiums and discounts, are calculated monthly and allocated to participating funds based on each fund's share of equity (positive or negative) in the investment pool.

Some funds, such as debt service funds, retain their monthly allocation of investment earnings while other funds, which are not required to retain their allocated interest, pass the interest on to either the City General Fund or to the Community Planning and Economic Development Special Revenue Fund. Also, periodically the City distributes investment earnings from the General Fund to various projects below the fund level, as may be required, on the basis of the calculated average daily cash balance of the project and the average yield of the City's general portfolio.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**F – Inventories of Materials and Supplies and Prepaid Items**

Depending on the nature of the item, inventories are valued using the moving average valuation method or using the last price of the item purchased. Also, and depending on the nature of the item or the fund in which the inventory is recorded, the costs of inventories are recorded as expenses/expenditures when purchased, or when consumed rather than when purchased. Inventory recorded in the proprietary funds and the government-wide are expensed as the supplies and materials are consumed.

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

G – Receivables

Loans receivable recorded in the governmental funds consist of business loans using funds provided through state and federal grants and loan recaptures. The loans have been collateralized and call for periodic payments of principal and interest. Loans receivable recorded in the enterprise funds consist primarily of low interest home improvement and home mortgage loans, which are secured by either a first or second mortgage. Interest on loans is recorded where applicable.

Several developers under various financial arrangements have agreed to pay back development loans only if certain events occur. They are presented net of an estimated allowance for doubtful accounts. These loans include redevelopment agreements, neighborhood economic, commercial, and housing development loans, and second mortgages on rehabilitated homes. Some of these loans may be forgiven for continued owner occupancy, the attainment of certain employment goals, or the continuation of specified services.

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year end. These amounts include charges for services rendered, or for goods and material provided by the City, including amounts for unbilled services. Receivables are shown net of an allowance for uncollectible accounts where applicable. Receivables are also recognized for property taxes, sales and excise taxes, loans, assessments, accrued interest, and intergovernmental grants.

Taxes and tax increments receivable consist of uncollected taxes levied and payable in prior years, net of allowance for uncollectible taxes. These receivables are deferred to indicate they are not available to finance expenditures of the current fiscal period.

Assessments receivable include current, delinquent and noncurrent assessments for various services including street and utility improvements. City Council approves special assessments throughout the year. These assessments are reported in the General Fund, Community Planning and Economic Development Special Revenue Fund, Permanent Improvement Capital Projects Fund, Special Assessment Debt Service Fund, Non-Major Governmental Funds, and Enterprise Funds (except for the Community Planning and Economic Development Enterprise Fund). The amounts that are approved by City Council are set up as a receivable and not collected at year end are recorded as unavailable revenue.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H – Capital Assets

Capital assets (including infrastructure) are recorded in the government-wide and proprietary fund financial statements at historical cost or at estimated historical cost if actual historical cost is not available. Infrastructure assets acquired prior to December 31, 1980, are included. Contributed and donated capital assets are recorded at acquisition value. Capital assets include infrastructure (e.g. roads, bridges, water/sewer and lighting systems), land, buildings, improvements, equipment, software and right-to-use assets acquired under leasing and software subscription arrangements. The City defines capital assets as assets with an individual cost of more than \$5; or \$35 per group of assets by year for bike paths, street signage, street lighting and traffic signals; and \$100 per group of assets for parking meters. Capital assets used in operations are depreciated or amortized using the straight-line method over their estimated useful lives or the lesser of the lease or subscription period in the government-wide statements and proprietary funds. As of 2008 the City no longer uses salvage values and depreciates/amortizes assets to zero.

The estimated useful lives are as follows:

Right-to-use land	2 to 10 years
Right-to-use buildings and structures	2 to 8 years
Right-to-use equipment	2 to 5 years
Right-to-use software subscriptions	2 to 13 years
Infrastructure	15 to 100 years
Buildings and structures	25 to 50 years
Equipment	5 to 15 years
Public improvements	20 to 40 years
Software	5 years

Major outlays for capital assets and improvements, including land, are capitalized as projects are constructed. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

I – Compensated Absences

The City accrues compensated absences (vacation, sick leave, and compensatory time benefits) that is attributable to services already rendered, it accumulates, and it’s more likely than not to be used or settled through cash or noncash means. The current and non-current portions are recorded in the government-wide and proprietary fund financial statements and represent a reconciling item between the governmental funds and government-wide presentation. The City typically liquidates the liability for compensated absences to the fund where employees’ salaries were originally charged. In governmental funds, a liability is reported only if they have matured (as a result of employee resignations and retirements). The current portion of the liability is determined based on historical information.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**J – Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teacher's Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on a basis different than reported by PERA and TRA. The City has reported its long-term projected contribution effort to the pension plan rather than the allocated amounts based on current year contributions of all contributing members. PERA's and TRA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value. The City typically liquidates the net pension liability to the fund where employees' salaries were originally charged.

K – Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables or payables where appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e. noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances to other funds, as reported in the fund financial statements, are included in assigned fund balance in applicable governmental funds and in nonspendable fund balance in the General Fund to indicate they are not available for appropriation and are not available financial resources. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when a fund incurs costs that are eventually repaid through charges to the benefiting fund. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

L – Properties Held for Resale

Properties held for resale in the Community Planning and Economic Development, the Grants – Federal, the HUD Consolidated Plan Special Revenue funds, and the Permanent Improvement Capital Projects Fund have been obtained as a result of repossessions in default situations. Repossessed properties are held solely to be re-marketed as part of the ongoing operations of the programs. They are valued at the outstanding principal balance of the related bonds, which is not in excess of the realizable value; or are valued at the amount of the related loan balance at the time of default plus subsequent improvement costs. The proceeds of any sales related to properties held for resale in the Community Planning and Economic Development, the Grants – Federal, the HUD Consolidated Plan Special Revenue funds, and the Permanent Improvement Capital Projects Fund are classified as restricted. As a result, fund balance/net position related to properties held for resale is classified as restricted in those funds.

M – Debt Service and Requirements

The debt service funds service all long-term obligations with the exception of bonds payable recorded within the proprietary funds. Some general long-term debt obligations are serviced in part by Council approved transfers from enterprise funds. Minnesota State Law requires agencies issuing general obligation bonds to certify an irrevocable tax levy to the County Auditor covering annual principal and interest requirements plus 5% (deducting, in certain cases, estimated tax increments and certain other revenue) at the time bonds are issued. The annual tax levy can be reduced by an amount equal to the issuing agency's annual certification of funds on hand.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**M – Debt Service and Requirements (continued)**

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 amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The differences between reacquisition prices and the net carrying amounts of current or advance refunding resulting in the defeasance of debt has been considered immaterial and has not been reported as either a deferred inflow of resources or a deferred outflow of resources on the statement of net position.

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

N – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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 City reports deferred outflows of resources only under the full accrual basis of accounting associated with pension plans and other postemployment benefit (OPEB) and accordingly, are reported in the statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from primarily six sources: taxes, special assessments, intergovernmental, long-term loan receivables, interest, and other. These amounts are recognized as an inflow of resources in the period that the amounts become available. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. The City also reports deferred inflows of resources for the net present value of leases that mature beyond one year, amortized to revenue on a straight-line basis over the lease terms. These amounts arise under both the modified accrual and the full accrual basis of accounting and are reported in both the governmental fund balance sheet and the statement of net position. The City also reports deferred inflows of resources associated with the public-public-partnership agreement, leases, and pension and OPEB benefits. These inflows arise only under the full accrual basis of accounting, and, accordingly, are reported only in the statement of net position.

O – Estimates

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

P – Stewardship, Accountability and Compliance

The Internal Service Self-Insurance Fund has a deficit fund balance of \$83,980. Actuarially determined values are in two categories. One relates to pending and anticipated litigation against the City, and the other is projected workers' compensation settlement costs. The City is monitoring and managing fund inflows to ensure sufficient resources to pay liabilities as they come due.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q – Change in Accounting Principle

During the year ended December 31, 2024, the City adopted new accounting guidance by implementing provisions of GASB Statement number 101. GASB Statement No. 101, Compensated Absences, prescribed a new approach to the recognition and measurement for compensated absences. Whereas the City previously recorded accumulated sick leave liability to the extent that the City believed would be paid upon employee severance, the new guidance requires accumulated sick leave liability to also include leave that is earned and anticipated to be used or settled through cash and noncash means. Note 13 – Vacation, Severance, Sick and Compensatory Time Pay reflects the liability for the City’s compensated absences.

R – Restatement of Net Position

Community Planning and Economic Development migrated the software utilized for land inventory tracking. The migration resulted in the identification of specific properties that were no longer owned by the City as of the start of the fiscal year. Community Planning and Economic Development Special Revenue Fund statement of fund balance and governmental activities were restated. The impact of these adjustments on fund balance and net position are reflected in the table below.

	Community Planning and Economic Development Special Revenue Fund	Governmental Activities
Balance January 1, 2024	241,655	1,789,787
Expenditure - Community planning and economic development	(14,180)	(14,180)
Balance January 1, 2024 - Restated	<u>227,475</u>	<u>1,775,607</u>

The beginning net position of the Park Board discrete component unit was restated to reflect an adjustment to the expenditures from a prior period. The impact of these adjustments on net position is reflected in the table below.

	Minneapolis Park and Recreation Board Discrete Component Unit
Balance January 1, 2024	434,795
Expenditure - Park Board	(465)
Balance January 1, 2024 - Restated	<u>434,330</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS

A – Deposits

Deposits and investments appear in the financial statements consistent with the following analysis:

Deposits and investments:	
Deposits, per book	\$ (583)
Investments	1,157,333
Imprest cash held by City	71
Component unit investments not held by City	19,782
Total	<u>\$ 1,176,603</u>
Primary Government:	
Cash and pooled Investments	\$ 1,060,490
Cash and pooled investments in custodial funds	2,428
Investments with trustees	26,957
Total primary government	<u>\$ 1,089,875</u>
Discretely Presented Component Units:	
Park and Recreation Board:	
Cash and pooled investments	<u>83,098</u>
Municipal Building Commission:	
Cash and pooled investments	<u>1,494</u>
Meet Minneapolis:	
Cash and pooled investments	<u>2,136</u>
Total discretely presented component units	<u>\$ 86,728</u>
Total reporting entity	<u>\$ 1,176,603</u>

The City has executed a Depository Pledge Agreement with its depository bank. The depository bank pledges to secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation (“FDIC”), by providing collateral held in safekeeping in a restricted account or by furnishing a corporate surety bond, as permitted under Minnesota Statutes, Section 118A.04. The bank balances at the City’s designated depository as of December 31, 2024, totaled \$8,996.

Reconciliation of bank cash balances to book cash balance:	
Bank balance, per December 31, 2024 bank statement	\$ 8,996
Reconciling items and outstanding checks	<u>(9,579)</u>
Deposits, per book	<u>\$ (583)</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS**A – Deposits (continued)***Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may be delayed or not returned. The City's policy is to require its designated depositories to comply with Minnesota Statutes Chapter 118A by furnishing a corporate surety bond, pledging allowable securities or providing a letter of credit (LOC) from the Federal Home Loan Bank (FHLB) to collateralize the City's deposits. At December 31, 2024, the City was not exposed to custodial credit risk since all deposits are either FDIC Insured (where applicable) or are collateralized through securities pledged to the City of Minneapolis by the financial institution and held in safekeeping at the Federal Reserve Bank at 110% of deposit value or collateralized by a FHLB LOC.

B – Investments

In accordance with Minnesota Statutes, Section 118A.04, and with the City Charter & Code of Ordinances, and Investment Policy the City may invest, subject to restrictions, in (1) U.S. government securities, (2) state and local securities such as municipal bonds, (3) commercial papers, and, (4) time deposits. The City may also enter into certain investment-related contracts and agreements, also subject to restrictions, such as (1) repurchase agreements, (2) securities lending, (3) participation in the Minnesota joint powers investment trust, and (4) guaranteed investment contracts.

Investment derivative instruments

The City and its investment management firms will exercise extreme caution in the use of derivative instruments, keeping abreast of future information on risk management issues and will consider derivatives only when a sufficient understanding of the products and expertise to manage them has been developed and analyzed. Any derivative will also be required to pass the requirements of Minnesota Statutes Section 118A.

As of December 31, 2024, there were no derivative instruments held in the City's Investment Portfolio.

Interest and Reinvestment Rate Risk

Interest and reinvestment rate risk is the risk that market interest rate increases may create unrealized losses in the fair value of the City's investments. The unrealized losses typically end by the time individual bonds mature. Unrealized losses may be realized when bonds are sold prior to maturity. The Investment Policy outlines maturity constraints, cashflow matching, portfolio segmentation, and a conservative operating liquidity objective, as well as prudent investment principles. When currently held bonds mature, there is a risk that they will be reinvested at a lower yield. The City diversifies the impact of this reinvestment rate risk by diversifying the timing of maturities, coupon rates, and coupon payment dates, while limiting the amount of callable bonds and monitoring market rate levels.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS

B – Investments (continued)

The following table presents the City of Minneapolis’ investment balances (excluding accrued earnings) at December 31, 2024, and information relating to interest rate risks:

Investment Type	Portfolio Weighted Final Maturity (Years)	Market Value
U.S. Treasury Obligation	3.5	\$ 620,918
U.S. Federal Agency Obligations	1.1	139,859
U.S Mortgage Obligations	15.3	143,494
Municipal Bonds	4.3	50,572
Money Market Mutual Funds	-	202,490
Portfolio Weighted Average Final Maturity	4.1	
Total investments		\$ 1,157,333
Deposits, per Book		(583)
Imprest Cash held by City		71
Component Unit Investments Not Held By City		19,782
Total Cash and Investments		\$ 1,176,603

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City’s policy to invest only in securities that meet the ratings requirements set by Minnesota Statutes, Section 118A.04 and 118A.05 as follows:

INVESTMENTS – MINNESOTA STATUTES SECTION 118A.04

Subdivision 1. What may be invested. Any public funds, not presently needed for other purposes or restricted for other purposes, may be invested in the manner and subject to the conditions provided for in this section.

Subd. 2. United States securities. Public funds may be invested in governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

Subd. 3. State and local securities. Funds may be invested in the following:

- (1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
- (2) any security which is a revenue obligation of any state or local government which is rated "AA" or better by a national bond rating service;
- (3) a general obligation of the Minnesota Housing Finance agency which is a moral obligation of the state of Minnesota and is rated "A" or better by a national bond rating agency; and

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS**B – Investments (continued)**

(4) any security which is an obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to section 126C.55.

Subd. 4. Commercial papers. Funds may be invested in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.

Subd. 5. Time deposits. Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or bankers acceptances of United States banks.

CONTRACTS AND AGREEMENTS – MINNESOTA STATUTES SECTION 118A.05

Subdivision 1. May enter into. In addition to other authority granted in sections 118A.01 to 118A.06, government entities may enter into contracts and agreements as follows.

Subd. 2. Repurchase agreements. Repurchase agreements consisting of collateral allowable in section 118A.04, and reverse repurchase agreements may be entered into with any of the following entities:

- (1) a financial institution qualified as a "depository" of public funds of the government entity;
- (2) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
- (3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
- (4) a securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt. Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in subdivision 3.

Subd. 3. Securities lending agreements. Securities lending agreements, including custody agreements, may be entered into with a financial institution meeting the qualifications of subdivision 2, clause (1) or (2), and having an office located in Minnesota. Securities lending transactions may be entered into with entities meeting the qualifications of subdivision 2 and the collateral for such transactions shall be restricted to the securities described in this section and section 118A.04.

Subd. 4. Minnesota joint powers investment trust. Government entities may enter into agreements or contracts for:

- (1) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in this section, section 118A.04, and section 118A.07, subdivision 7;
- (2) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in this section and section 118A.04;
- (3) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or
- (4) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS

B – Investments (continued)

Subd. 5. Guaranteed investment contracts. Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short- and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Agreements or contracts for guaranteed investment contracts with a term of 18 months or less may be entered into regardless of the credit quality of the issuer's or guarantor's long-term unsecured debt, provided that the credit quality of the issuer's short-term unsecured debt is rated in the highest category by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

At December 31, 2024, the City's investments were rated by Standard & Poor's and Moody's as follows:

Investment Type	Standard & Poor's Rating			Moody's Rating
U.S. Treasury Obligations	AA+	\$ 620,918	Aaa	\$ 620,918
U.S. Federal Agency Obligations	AAA	\$ -	Aaa	\$ 139,859
	AA+	139,859	Aa1	-
Total U.S. Federal Agency Obligations		\$ 139,859		\$ 139,859
U.S. Mortgage Obligations	AAA	\$ 28	Aaa	\$ 141,807
	AA+	143,466	Aa1	-
	Not Available	-	Not Available	1,687
Total U.S. Mortgage Obligations		\$ 143,494		\$ 143,494
Municipal Bonds	AAA	\$ 11,199	Aaa	\$ 7,909
	AA+	13,180	Aa1	19,960
	AA	6,046	Aa2	8,353
	AA-	2,751	Aa3	3,093
	A+	-	A1	-
	A	-	A2	-
	Not Available	17,396	Not Available	11,257
Total Municipal Bonds		\$ 50,572		\$ 50,572
Money Market Mutual Funds	AAAm	\$ 202,490	Aaa	\$ 192,194
	Not Available	-	Not Available	10,296
Total Money Market Mutual Funds		\$ 202,490		\$ 202,490
Total		\$ 1,157,333		\$ 1,157,333

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS**B – Investments (continued)**

* All City securities holdings are rated “AA-” or higher by at least one Nationally Recognized Statistical Ratings Organization (NRSRO). The ‘Not Available’ lines under a rating agency column are specific to that rating agency, and any City investment security in such group is alternatively rated at least “AA-” by another NRSRO.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City’s policy is to comply with Minnesota Statutes Chapter 118A and use a third-party financial institution for safekeeping of securities which mitigates custodial credit risk. The City’s investments were not exposed to custodial credit risk at December 31, 2024.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City’s investment in a single issuer. It is the City’s policy to diversify its investment portfolio. Assets held shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.

Fair Value Measurement

The City categorizes its fair value measurements in accordance with guidelines established by generally accepted accounting principles. These guidelines establish a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 2 – DEPOSITS AND INVESTMENTS

B – Investments (continued)

At December 31, 2024, the City had the following recurring fair value measurements:

	Market Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level			
Debt Securities:			
U.S. Treasury Securities	\$ 620,918	\$ -	\$ 620,918
U.S. Federal Agency Obligations	139,859	-	139,859
U.S. Mortgage Obligations	143,494	-	142,583
Municipal Bonds	50,572	-	50,572
Total Investments by Fair Value Level	<u>\$ 954,843</u>	<u>\$ -</u>	<u>\$ 953,932</u>
Investments Measured at Net Asset Value (NAV)			
Money Market Mutual Funds	\$ 202,490		
Total Investments Measured at NAV	<u>\$ 202,490</u>		
Total Investments Measured at Fair Value and NAV	<u>\$ 1,157,333</u>		

Debt securities classified in Level 1 are valued using a market approach quoted in active markets for those securities. Debt securities classified in Level 2 are valued using the following approaches:

- U.S. Treasury obligations and U.S. Federal agency obligations are valued using a market approach by utilizing quoted prices for identical securities in markets that are not active;
- U.S. Mortgage obligations are valued using matrix pricing based on the securities relationship to benchmark quoted prices; and
- Municipal bonds are valued using a market approach using quoted prices for similar securities in active markets.

The City also holds \$202,490 in money market mutual funds. The fair value of the investment is the fair value per share of the underlying portfolio. The City may redeem these funds at any time and for any use the City has designated.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – RECEIVABLES

A – Receivables Detail

Receivables at year-end for the City’s major individual governmental and enterprise funds and non-major and internal service funds in the aggregate, including applicable allowances for uncollectible amounts are as follows:

Governmental Activities	General Fund	Community Planning and Economic Development	Grants-Federal	HUD Consolidated Plan	Permanent Improvement	Special Assessment	Non-Major Governmental Funds	Internal Service Funds	Total Governmental
		Accounts	\$ 10,825	\$ 2	\$ 14	\$ 5	\$ 3,350	\$ -	\$ 905
Taxes	3,494	43	-	-	74	-	791	-	4,402
Special assessments	1,004	868	-	-	2,041	72,674	25	-	76,612
Intergovernmental	612	173	9,060	6,053	27,761	-	22,336	-	65,995
Loans	-	215,090	11,953	48,280	-	-	-	-	275,323
Leases	-	-	-	-	-	-	18,219	-	18,219
Accrued interest	2,209	837	51	-	565	101	685	-	4,448
Gross receivables	18,144	217,013	21,078	54,338	33,791	72,775	42,961	328	460,428
Less:									
Allowance for uncollectibles	(1,143)	(161,935)	(10,089)	-	(88)	-	(1)	(6)	(173,262)
Total receivables	\$ 17,001	\$ 55,078	\$ 10,989	\$ 54,338	\$ 33,703	\$ 72,775	\$ 42,960	\$ 322	\$ 287,166

Business-type Activities	Sanitary Sewer	Water Treatment and Stormwater	Distribution Services	Municipal Parking	Solid Waste and Recycling	Community Planning and Economic Development	Total Business-type
	Accounts	\$ 9,067	\$ 4,296	\$ 8,899	\$ 1,451	\$ 6,118	\$ -
Special assessments	4,312	1,080	4,597	1,386	2,054	-	13,429
Intergovernmental	-	8,671	-	2,892	2	-	11,565
Accrued interest	-	-	-	-	-	153	153
Gross receivables	13,379	14,047	13,496	5,729	8,174	153	54,978
Less:							
Allowance for uncollectibles	-	-	-	(414)	-	-	(414)
Total receivables (due within one year)	\$ 13,379	\$ 14,047	\$ 13,496	\$ 5,315	\$ 8,174	\$ 153	\$ 54,564

B – Leases Receivable Payment Schedule

The City of Minneapolis holds one lease agreement in which the City is a lessor. The City is the lessor for the Target Center, a mixed-use sports and entertainment facility. Currently, the City leases the facility to the Minnesota Timberwolves professional basketball team with annual lease payments through 2035. The City received \$1,425 of principal payments and \$221 of interest payments for the total of \$1,646 in 2024.

Principal and Interest Expected to Maturity

Year Ending December 31	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 1,475	\$ 204	\$ 1,679
2026	1,526	187	1,713
2027	1,578	169	1,747
2028	1,631	150	1,781
2029	1,686	131	1,817
2030-2034	9,303	341	9,644
2035	1,020	3	1,023

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 4 – CAPITAL ASSETS

A – Current Year Activity

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Governmental activities				
<i>Capital assets, not being depreciated/amortized</i>				
Land and easements	\$ 114,788	\$ -	\$ -	\$ 114,788
Construction in progress	601,171	152,875	(39,842)	714,204
Total capital assets, not being depreciated/amortized	<u>715,959</u>	<u>152,875</u>	<u>(39,842)</u>	<u>828,992</u>
<i>Capital assets, being depreciated/amortized</i>				
Lease land	11	21	-	32
Lease buildings	4,900	726	(190)	5,436
Lease equipment	1,992	-	-	1,992
Software subscriptions	27,955	10,717	(567)	38,105
Infrastructure	1,247,247	21,284	-	1,268,531
Buildings and structures	804,171	3,008	-	807,179
Public improvements	190,672	4,503	(199)	194,976
Equipment, other capital outlay	227,068	26,746	(5,632)	248,182
Software	66,533	4,058	-	70,591
Total capital assets, being depreciated/amortized	<u>2,570,549</u>	<u>71,063</u>	<u>(6,588)</u>	<u>2,635,024</u>
Less accumulated depreciation/amortization for:				
Lease land	(8)	(4)	-	(12)
Lease buildings	(1,621)	(946)	190	(2,377)
Lease equipment	(956)	(478)	-	(1,434)
Software subscriptions	(5,111)	(6,823)	365	(11,569)
Infrastructure	(721,318)	(37,559)	-	(758,877)
Buildings and structures	(353,224)	(21,298)	-	(374,522)
Public improvements	(30,868)	(9,365)	106	(40,127)
Machinery, equipment, other capital outlay	(162,357)	(13,683)	5,582	(170,458)
Software	(61,631)	(2,681)	-	(64,312)
Total accumulated depreciation/amortization	<u>(1,337,094)</u>	<u>(92,837)</u>	<u>6,243</u>	<u>(1,423,688)</u>
Total capital assets, being depreciated/amortized, net	<u>1,233,455</u>	<u>(21,774)</u>	<u>(345)</u>	<u>1,211,336</u>
Governmental activities capital assets, net	<u>\$ 1,949,414</u>	<u>\$ 131,101</u>	<u>\$ (40,187)</u>	<u>\$ 2,040,328</u>

Some construction in progress amounts were expensed in the current year.

Depreciation expense/amortization was charged to governmental functions as follows:

General government	\$ 24,017
Public safety	2,322
Public works	45,584
Health and welfare	112
Community planning and economic development	20,802
Total depreciation/amortization expense - governmental functions	<u>\$ 92,837</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 4 – CAPITAL ASSETS

A – Current Year Activity (continued)

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Business-type activities				
<i>Capital assets, not being depreciated/amortized</i>				
Land and easements	\$ 130,321	\$ -	\$ -	\$ 130,321
Construction in progress	148,588	82,012	(58,852)	171,748
Total capital assets, not being depreciated/amortized	<u>278,909</u>	<u>82,012</u>	<u>(58,852)</u>	<u>302,069</u>
<i>Capital assets, being depreciated/amortized</i>				
Lease land	5,680	9	-	5,689
Buildings and structures	599,845	1,791	-	601,636
Public improvements	1,072,616	47,592	-	1,120,208
Equipment and other capital outlay	156,358	9,859	-	166,217
Software	2,881	-	-	2,881
Total capital assets, being depreciated/amortized	<u>1,837,380</u>	<u>59,251</u>	<u>-</u>	<u>1,896,631</u>
Less accumulated depreciation/amortization for:				
Lease land	(1,063)	(532)	-	(1,595)
Buildings and structures	(308,862)	(11,528)	-	(320,390)
Public improvements	(343,442)	(13,533)	-	(356,975)
Equipment and other capital outlay	(74,662)	(9,248)	-	(83,910)
Software	(2,879)	(2)	-	(2,881)
Total accumulated depreciation/amortized	<u>(730,908)</u>	<u>(34,843)</u>	<u>-</u>	<u>(765,751)</u>
Total capital assets, being depreciated/amortized, net	<u>1,106,472</u>	<u>24,408</u>	<u>-</u>	<u>1,130,880</u>
Business-type activities capital assets, net	<u>\$ 1,385,381</u>	<u>\$ 106,420</u>	<u>\$ (58,852)</u>	<u>\$ 1,432,949</u>

Depreciation/amortized expense was charged to business-type functions as follows:

Sanitary sewer	\$ 3,563
Stormwater	5,261
Water treatment and distribution services	15,455
Municipal parking	8,131
Solid waste and recycling	2,433
Total depreciation/amortized expense - business-type functions	<u>\$ 34,843</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 4 – CAPITAL ASSETS (continued)

B – Capital Project Commitments

For the year ended December 31, 2024, the City of Minneapolis made capital project commitments for the following:

Public works department	\$ 225,496
Public grounds and facilities	32,250
Miscellaneous projects	1,384
Total capital project commitments	<u>\$ 259,130</u>

C – Discretely Presented Component Units

Activity for the discretely presented component units for the year ended December 31, 2024, was as follows:

	Balance			Balance	
Minneapolis Park and Recreation Board	January 1, 2024	Additions	Retirements	December 31, 2024	
Capital assets, not being depreciated/amortized	\$ 161,740	\$ 29,369	\$ (22,890)	\$ 168,219	
Capital assets, being depreciated/amortized, net	269,013	3,729	(51)	272,691	
	<u>\$ 430,753</u>	<u>\$ 33,098</u>	<u>\$ (22,941)</u>	<u>\$ 440,910</u>	
Depreciation expense/amortized charged	\$ 22,180				
	Balance			Balance	
Municipal Building Commission	January 1, 2024	Additions	Retirements	December 31, 2024	
Capital assets, not being depreciated/amortized	\$ 48,411	\$ 13,124	\$ -	\$ 61,535	
Capital assets, being depreciated/amortized, net	1,956	(603)	-	1,353	
	<u>\$ 50,367</u>	<u>\$ 12,521</u>	<u>\$ -</u>	<u>\$ 62,888</u>	
Depreciation expense/amortized charged	\$ 603				

This Section Left Blank Intentionally

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 5 – LONG-TERM DEBT

The City's full faith, credit and taxing power are pledged to pay general obligation debt principal and interest.

Property Tax Supported General Obligation Bonds

Various issues of general obligation (GO) bonds are recorded in the Governmental Funds and are backed by the full faith and credit of the City. Annual property tax levies are used to pay debt service on these bonds.

Self-Supporting General Obligation Bonds and Notes

Self-supporting bonds and notes issued by the City are recorded in the Enterprise Funds, Internal Service Funds or Governmental Funds. While these bonds and notes are backed by the full faith and credit of the City, they are payable from revenue derived from the function for which they were issued.

General Obligation Improvement Bonds and Notes

Improvement bonds and notes are recorded in the Governmental Funds and are payable from special assessments levied and collected for local improvements and are backed by the full faith and credit of the City. The general credit of the City is obligated only to the extent that liens foreclosed against properties involved in special assessment districts are insufficient to retire outstanding bonds and notes.

Tax Increment General Obligation Bonds and Notes

Tax increment bonds and notes are payable primarily from the increase in property taxes resulting from replacing older improvements with new or remodeled improvements. These bonds and notes are recorded in the Governmental Funds and are also backed by the full faith and credit of the City.

Revenue Bonds and Notes

Revenue bonds and notes are recorded in the Governmental Funds. These bonds and notes are payable solely from revenues of the respective Enterprise Funds or tax increment districts. In addition, the City has pledged one-half percent of tax capacity to secure payment of bond principal and interest on all bonds issued after May 22, 1987, for the General Agency Reserve Fund System (GARFS) bonds within the Community Planning and Economic Development (CPED) Enterprise Fund.

For Tax Increment Revenue Refunding Bonds, a separate reserve fund has been provided for each bond issue. These bonds are special limited obligations of the City which are payable from tax increments and investment earnings in the reserve fund. The City is required to have a reserve equal to the lesser of the maximum principal and interest due on the bonds in any succeeding bond year or 125 percent of the average principal and interest due on the bonds in succeeding bond years.

Sinking Fund Provisions

Sinking fund provisions on certain general obligation bonds require sufficient deposits on or before October 1st of each year to pay all principal and interest amounts coming due on such bonds for the remainder of the current year, and during all of the following year. If this provision is not met, a general tax levy will be made for the balance required. Minnesota State Laws generally require initial tax levies for general obligation bonds to be at least five percent in excess of the bond and interest maturities less estimated pledged assessments and revenues. The initial tax levies cannot be repealed and can only be modified as they relate to current levies and then only upon certification to the Director of Property Taxation that funds are available to pay current maturities in whole or in part.

2024 Bond and Note Sales

In 2024, the City of Minneapolis issued general obligation bonds and notes totaling \$119,180 of new bonds. Below are details of the 2024 debt issuances.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 5 – LONG-TERM DEBT (continued)

In October 2024, the City issued \$119,180 of General Obligation Bonds, Series 2024 to fund a variety of special assessment improvement projects, general infrastructure projects, sanitary and storm sewer projects, and water enterprise projects. The City received bond proceeds of \$127,768 including an original issue premium of \$8,725 offset by a \$137 underwriter's discount. The proceeds were used to reimburse design and construction costs of \$9,255 for special assessment projects related to street reconstruction and resurfacing and \$118,313 for a variety of other capital infrastructure and enterprise fund improvements. With the net premium received, the par amount of bonds required for the projects has been reduced to \$8,550 and \$110,630, respectively. \$200 of the proceeds not required for projects was used to pay cost of issuance expenses. The bonds were dated October 23, 2024, and were issued with fixed interest rates ranging from 3.00% to 5.00% and a final maturity date of December 1, 2043.

Minnesota Public Facilities Authority Notes

The City has entered eight general obligation notes with the Minnesota Public Facilities Authority (PFA) to finance the City's drinking water ultra-filtration project, new filter presses project and a major rehabilitation of the Fridley water treatment plant. The notes are part of a federally sponsored below market financing program related to the Safe Drinking Water Act and the City saves up to 1.5% on interest costs by participating in the program. The City has received proceeds totaling \$160,388 on these notes in total and the outstanding debt balance of the five remaining notes in this program is \$53,350 as of December 31, 2024. The interest rates range from 1.01% - 2.69% and the final maturity dates range from August 20, 2026, to August 20, 2035.

The most recently issued note was for \$27,300; it was issued on November 9, 2018, at a 1.47% interest rate with a final maturity of August 20, 2035. The note began funding expenses beginning in 2019. This note was fully utilized in 2023.

Lease Liability

The City of Minneapolis is a party in several lease contracts where the City is a lessee. Generally, the City leases office or storage space at locations throughout the City where there is no access to City-owned facilities. The City manages lease contracts primarily through the Property Services internal service fund where practicable. The schedules in Note 4 show the lease assets.

Software Subscriptions Liability

The City of Minneapolis is a party in several software subscription contracts where the City is a subscriber. Generally, the City subscribes to various software services to manage the technology and software needs of departments across the enterprise. The schedules in Note 4 show the software subscription asset amounts.

Discrete Component Unit Debt

The City issues debt on behalf of the Minneapolis Park & Recreation Board and the Municipal Building Commission. As of December 31, 2024, \$21,429 of the outstanding governmental debt is related to activities of these discretely presented component units and is reported within the debt balances of the primary government. The capital assets purchased with proceeds from debt issuances are held by the respective discrete component units and are reported with their capital assets on the Statement of Net Position, except for the library assets which are now held by Hennepin County.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 5 – LONG-TERM DEBT (continued)

Long-term debt on December 31, 2024 (in thousands) are detailed below.

	<u>Balance</u> <u>1/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2024</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds	290,665	79,510	44,255	325,920	22,350
Self Supporting GO Bonds	142,195	-	5,940	136,255	32,260
GO Improvement Bonds	73,855	8,550	9,435	72,970	8,490
Tax Increment Revenue Bonds	11,190	-	5,470	5,720	1,400
Tax Increment Revenue Notes	630	-	630	-	-
Total Bonds and Notes	<u>518,535</u>	<u>88,060</u>	<u>65,730</u>	<u>540,865</u>	<u>64,500</u>
<u>Other Long-term Debt</u>					
Unamortized Premium (Discount)	26,084	5,830	2,733	29,181	-
Lease Liability	4,499	747	1,510	3,736	1,368
Software Subscriptions	19,953	10,717	6,967	23,703	6,281
Total Long-term Debt Governmental	<u>569,071</u>	<u>105,354</u>	<u>76,940</u>	<u>597,485</u>	<u>72,149</u>
Business-type activities:					
<u>Bonds and Notes</u>					
Sanitary Sewer Fund GO Bonds	51,650	11,469	6,250	56,869	6,850
Stormwater Fund GO Bonds	39,515	8,070	3,735	43,850	4,160
Water Treatment and Distribution Services Fund GO Bonds	90,495	11,580	9,835	92,240	9,450
Water Treatment and Distribution Services Fund GO Notes	60,240	-	6,890	53,350	8,610
Municipal Parking Fund GO Bonds	25,905	-	7,760	18,145	5,355
Municipal Parking Fund GO Notes	26,335	-	290	26,045	2,825
Solid Waste Fund GO Bonds	18,770	-	595	18,175	685
Total Bonds and Notes	<u>312,910</u>	<u>31,119</u>	<u>35,355</u>	<u>308,674</u>	<u>37,935</u>
<u>Other Long-term Debt</u>					
Unamortized Premium (Discount)	17,815	2,895	1,889	18,821	-
Lease Liability	4,664	8	514	4,158	507
Total Long-term Debt Business-Type	<u>335,389</u>	<u>34,022</u>	<u>37,758</u>	<u>331,653</u>	<u>38,442</u>
Total Long-term Debt	<u>\$ 904,460</u>	<u>\$ 139,376</u>	<u>\$ 114,698</u>	<u>\$ 929,138</u>	<u>\$ 110,591</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 5 – LONG-TERM DEBT (continued)

For governmental activities, debt service is generally paid from Debt Service Funds.

Debt Service Requirements of Outstanding Governmental City Debt

As of December 31, 2024, all annual debt service requirements for Governmental activities are as follows:

Year Ending December 31:	Governmental Activities	
	Bonds	
	Principal	Interest
2025	\$ 64,500	\$ 19,567
2026	37,175	17,883
2027	40,570	16,460
2028	26,450	15,001
2029	30,870	13,965
2030 - 2034	124,115	54,103
2035 - 2039	102,900	32,429
2040 - 2044	93,475	12,828
2045 - 2046	20,810	1,070
	<u>\$ 540,865</u>	<u>\$ 183,306</u>

Debt Service Requirements of Outstanding Business-type Activities City Debt

As of December 31, 2024, all annual debt service requirements for Business-type Activities are as follows:

Year Ending December 31:	Business-type Activities				Total Business-type Activities Bonds & Notes	
	Bonds		Notes		Principal	Interest
	Principal	Interest	Principal	Interest		
2025	\$ 26,500	\$ 8,805	\$ 11,435	1,670	\$ 37,935	\$ 10,475
2026	27,155	7,776	11,885	1,434	\$ 39,040	\$ 9,210
2027	23,320	6,857	12,425	1,128	\$ 35,745	\$ 7,985
2028	22,425	6,083	7,915	836	\$ 30,340	\$ 6,919
2029	18,485	5,347	6,370	674	\$ 24,855	\$ 6,021
2030 - 2034	54,445	18,464	27,415	1,537	\$ 81,860	\$ 20,001
2034- 2039	38,430	8,168	1,950	29	\$ 40,380	\$ 8,197
2040 - 2043	18,519	1,357	-	-	\$ 18,519	\$ 1,357
	<u>\$ 229,279</u>	<u>\$ 62,857</u>	<u>\$ 79,395</u>	<u>\$ 7,308</u>	<u>\$ 308,674</u>	<u>\$ 70,165</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 5 – LONG-TERM DEBT (continued)

Leases Payable Payment Schedule

Principal and Interest Requirements to Maturity

Year Ending December 31:	Governmental Activities			Business-type Activities		
	Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments
2025	\$ 1,369	\$ 40	\$ 1,409	507	\$ 45	\$ 552
2026	921	25	946	504	39	543
2027	857	12	869	510	34	544
2028	323	4	327	516	28	544
2029	269	1	270	521	22	543
2030 - 2032	-	-	-	1,600	31	1,631
	<u>\$ 3,739</u>	<u>\$ 82</u>	<u>\$ 3,821</u>	<u>\$ 4,158</u>	<u>\$ 199</u>	<u>\$ 4,357</u>

Software Subscriptions Payable Payment Schedule

Principal and Interest Requirements to Maturity

Year Ending December 31:	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 6,281	\$ 606	\$ 6,887
2026	4,037	445	4,482
2027	3,276	342	3,618
2028	3,229	259	3,488
2029	2,745	176	2,921
2030 - 2034	4,134	239	4,373
	<u>\$ 23,702</u>	<u>\$ 2,067</u>	<u>\$ 25,769</u>

NOTE 6 – INDUSTRIAL, COMMERCIAL, AND HOUSING REVENUE BONDS AND NOTES

As of December 31, 2024, outstanding industrial, commercial, and housing revenue bonds and notes is \$1,966,993. The bonds are payable solely from revenues of the respective enterprises and do not constitute an indebtedness of the City. They are not a charge against the City’s general credit or taxing power.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 7 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources for the City’s major individual governmental funds and non-major funds in aggregate include the following unavailable revenue sources:

Deferred Inflows of Resources	General Fund	Community Planning and Economic Development	Grants- Federal	HUD Consolidated Plan	Permanent Improvement	Special Assessment	Non-Major Governmental Funds	Total Governmental
Unavailable Revenue								
Property taxes	\$ 1,638	\$ 43	\$ -	\$ -	\$ -	\$ -	\$ 398	\$ 2,079
Special assessments	780	8,140	-	-	2,028	73,025	-	83,973
Intergovernmental	-	-	-	-	23,065	-	-	23,065
Loans receivable	-	45,883	1,864	48,280	-	-	-	96,027
Leases	-	-	-	-	-	-	17,391	17,391
Total deferred inflows of resources	<u>\$ 2,418</u>	<u>\$ 54,066</u>	<u>\$ 1,864</u>	<u>\$ 48,280</u>	<u>\$ 25,093</u>	<u>\$ 73,025</u>	<u>\$ 17,789</u>	<u>\$ 222,535</u>

NOTE 8 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables

The composition of interfund balances as of December 31, 2024 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Non-Major Governmental Fund	Non-Major Governmental Fund	3,500

Interfund balances are either due to timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid with in one year.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Non-Major Governmental Fund	Non-Major Governmental Fund	3,445

Advances to other funds are to provide working capital for general operations of the other fund.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 8 – INTERFUND TRANSACTIONS (continued)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following schedule briefly summarizes the City’s transfer activity:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>		<u>Total Transfers In</u>
Governmental Funds:			
General Fund	Municipal Parking Fund	\$ 1,100	
	Stormwater Fund	110	
	Grants - Federal Fund	58,756	
	Non-major Governmental Funds	<u>29,991</u>	<u>89,957</u>
CPED Special Revenue Fund	General Fund	15,984	
	Non-Major Governmental Funds	<u>1,315</u>	<u>17,299</u>
Permanent Improvement Fund	General Fund	3,747	
	CPED Special Revenue Fund	862	
	Stormwater Fund	<u>1,609</u>	<u>6,218</u>
Non-Major Governmental Funds	General Fund	4	
	CPED Special Revenue Fund	7,060	
	Permanent Improvement Fund	2,425	
	Non-Major Governmental Funds	52,025	
	Municipal Parking Fund	<u>1,400</u>	<u>62,914</u>
	Total Governmental Funds	<u>\$ 176,388</u>	

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>		<u>Total Transfers In</u>
Proprietary Funds:			
Business-type Activities			
Water Treatment and Distribution Services Fund	General Fund	\$ 41	
	Sanitary Sewer Fund	<u>1,020</u>	<u>1,061</u>
Solid Waste & Recycling Fund	General Fund	325	
	Municipal Parking Fund	<u>146</u>	<u>471</u>
	Total Business-type Activities	<u>\$ 1,532</u>	
Governmental Activities			
Internal Service Funds	General Fund	<u>\$ 495</u>	<u>495</u>
	Total Governmental Activities	<u>\$ 495</u>	

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 8 – INTERFUND TRANSACTIONS**Transfers (continued)**

Transfers are made throughout the year between various funds. The majority of the transfers are funding the repayment of debt in the Development Debt and the General Debt Service Funds, transfers to Internal Service Funds for intergovernmental services and transfers to pass through grant resources between funds. Other significant transfers are to support economic development projects and capital projects.

NOTE 9 – NET POSITION/FUND BALANCES

The government-wide, proprietary funds, and internal service fund-type financial statements use a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – This category represents net position of the City, not restricted for any project or other purpose.

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council has authorized the Finance Officer to assign fund balances. This authorization is included in the financial policies section of the City’s budget book, and is approved by resolution each year.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 9 – NET POSITION/FUND BALANCES (continued)

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

The City Council has formally adopted a fund balance policy for the General Fund. The City’s policy is to maintain a minimum unassigned fund balance of 17% of the following year’s budgeted expenditures for cash-flow timing needs.

Fund Balances	General	Community Planning and Economic Development	Grants-Federal	HUD Consolidated Plan	Permanent Improvement	Special Assessment	Non-Major Governmental	Total
Restricted for								
Public safety aid	\$ 15,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,025
Debt service:								
Community development	-	-	-	-	-	-	2,212	2,212
General debt service	-	-	-	-	-	-	19,191	19,191
Development debt service	-	-	-	-	-	-	17,078	17,078
Special assessment	-	-	-	-	-	24,142	-	24,142
Community and economic development	-	127,640	-	-	-	-	-	127,640
Law enforcement:								
Forfeitures	-	-	-	-	-	-	2,764	2,764
Grants	-	-	12,450	-	-	-	7,731	20,181
Properties held for resale	-	20,031	403	5,338	16,312	-	-	42,084
Capital improvements	-	-	-	-	84,175	-	-	84,175
Total restricted	15,025	147,671	12,853	5,338	100,487	24,142	48,976	354,492
Assigned to								
General government								
Budget Rollovers	32,107	-	-	-	-	-	-	32,107
2024 budget use of fund balance	22,274	-	-	-	-	-	-	22,274
Board of estimate and taxation	-	-	-	-	-	-	362	362
Self-managed special districts	-	-	-	-	-	-	442	442
Public safety:								
Police	-	-	-	-	-	-	729	729
Community and economic development	-	69,973	-	-	-	-	111,707	181,680
Neighborhood and community relations	-	-	-	-	-	-	367	367
Pension obligations	-	-	-	-	-	-	40,682	40,682
Total assigned	54,381	69,973	-	-	-	-	154,289	278,643
Unassigned								
Unassigned	139,769	-	-	-	(20,136)	-	-	119,633
Total fund balances	\$ 209,175	\$ 217,644	\$ 12,853	\$ 5,338	\$ 80,351	\$ 24,142	\$ 203,265	\$ 752,768

The City’s net position that is restricted by enabling legislation include the following:

Governmental Activities: Law Enforcement \$2,764

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS**A – Plan Description**

The City, Park Board, and MBC 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. The City participates as a non-employer contributing entity in the Teachers' Retirement Association (TRA) which is administered on a statewide basis.

1. General Employees Retirement Plan (GERP)

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security, and the Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after three years of credited service.

2. Public Employees Police and Fire Plan (PEFPF)

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a prorated basis starting with 50 percent after five years and increasing ten percent for each year of service until fully vested after ten years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years and increasing five percent for each year of service until fully vested after 20 years.

3. Teacher Retirement Association Fund (TRA)

TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

B – Benefits Provided

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

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the annuity accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the annuity accrual rate for Coordinated members is 1.7 percent for all years of service. For General Employees Plan 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. For PEFPF members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits and disability qualification requirements vary by plan.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS**B – Benefits Provided (continued)**

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90. Police and Fire Plan benefits recipients will receive a 1.0 percent post-retirement increase. Recipients that have been receiving the annuity or benefits for at least 36 months as of 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 reduce prorated increase.

The Teachers Retirement Association (TRA) covers teachers and other related professionals employed by school districts or by the state. Approximately 595 employers participate in this plan. The plan provides retirement, survivor, and disability benefits. Basic membership includes participants who are not covered by the Social Security Act, while coordinated membership includes participants who are covered by the Act. The annuity formula for the coordinated members is the greater of a step rate with a flat reduction for each month of early retirement, or a level rate (the higher step rate) with an actuarially based reduction for early retirement. The annuity formula for Tier I basic members is 2.2 percent for the first 10 years and 2.7 percent for each subsequent year and Tier II is 2.7 percent of the member's high-five average salary. The annuity formula for Tier I coordinated members for services prior to July 1, 2006, is 1.2 percent for the first 10 years and 1.7 percent each subsequent year of the member's high-five average salary. The annuity formula for Tier I coordinated members for services subsequent to July 1, 2006, is 1.4 percent for the first 10 years and 1.9 percent each subsequent year of the member's high-five average salary. The annuity formula for Tier II coordinated members is 1.7 percent for services prior to July 1, 2006, and 1.9 percent for each year subsequent of the member's high-five average salary. Annual benefits increase by 2.0 percent each year and 2.5 percent if the plan is funded at least 90 percent of full funding.

The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants. 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.

C – Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS**C – Contributions (continued)****1. GERP Contributions**

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2024 and the City, Park Board, and MBC were required to contribute 7.50 percent for Coordinated Plan members. The City, Park Board, and MBC contributions related to payroll to the GERP for the year ended December 31, 2024, were \$19,938, \$3,947, and \$250 respectively. The City, Park Board, and MBC fixed contributions to the GERP for the year ended December 31, 2024, were \$11,869, \$2,169, and \$227 respectively. Total contributions were equal to the required contributions as set by state statute.

2. PEPFP Contributions

Plan members were required to contribute 11.80 percent of their annual covered salary in calendar year 2024. Employers were required to contribute 17.70 percent of pay for PEPFP members in calendar year 2024. Contributions to the PEPFP related to payroll for the year ended December 31, 2024, were \$25,789 for the City and \$746 for the Park Board. The City also made fixed contributions to PEPFP, non-payroll related, of \$7,679 for the year ended December 31, 2024. Total contributions were equal to the required contractual contributions as set by state statute.

3. TRA Contributions

The City's non-employer contribution to the TRA for the year ended December 31, 2024, was \$2,250. The City's contributions were equal to the required contributions as set by state statute.

D – Pension Costs**1. GERP Pension Costs**

At December 31, 2024, the City, Park Board, and MBC reported a liability of \$108,653, \$22,085, and \$1,403 respectively for the proportionate share of the GERP's net pension liability related to payroll contributions. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City, Park Board, and MBC proportion of the net pension liability was based on each entity's contributions received by PERA during the measurement period for employer payroll paid from July 1, 2023, through June 30, 2024, relative to the total employer payroll related contributions received from all of PERA's participating employers. At June 30, 2024, the City's proportionate share related to payroll contributions was 3.1359 percent, which was an increase of 0.0136 percent from its proportion measured as of June 30, 2023. At June 30, 2024 the Park Board's proportionate share related to payroll contributions was 0.6374 percent, which was a decrease of 0.0168 percent from its proportion measured as of June 30, 2023. At June 30, 2024, MBC's proportionate share related to payroll contributions was 0.0405 percent, which was a decrease of 0.0007 percent from its proportion measured as of June 30, 2023.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

D – Pension Costs

1. GERP Pension Costs (continued)

In addition to the payroll contributions, the City, Park Board, and MBC contribute statutorily fixed amounts related to closed pension plans now merged into PERA. The City, Park Board, and MBC will continue to make these contributions through 2031, and the net present values of these fixed contributions are \$74,465, \$13,610, and \$1,423 respectively as of the June 30, 2024 measurement date. The resulting combined net pension liability reported by the City, Park Board, and MBC as of December 31, 2024 is \$183,117, \$35,694 and \$2,826, respectively. The combined liability represents a proportionate share of the Plan’s net pension liability equal to 4.9532 percent for the City, 0.9655 percent for Park Board, and 0.0764 percent for MBC.

For the year ended December 31, 2024, the City, Park Board, and MBC recognized pension expense of (\$14,097), (\$2,238), and (\$87), respectively for the proportionate share of the GERP’s pension expense.

The State of Minnesota contributed \$170.1 million to the General Employees Plan in the plan fiscal year ended June 30, 2024. This contribution was a one-time direct state aid that does not meet the definition of a special funding situation. The City, Park Board, and MBC recognized \$8,242, \$1,606, and \$117, respectively as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota’s on-behalf contributions to the General Employees Plan.

In addition, the City, Park Board, and MBC also recognized \$124, \$24, and \$2, respectively as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s expense related to its contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16,000 to the General Employees Plan annually until September 15, 2031.

The table below shows the share of each category of pension liability for the City and Park Board and the total by entity.

	City Governmental Activities	City Business- type Activities	City Total	Park Board	MBC
Payroll related proportionate share of the net pension liability	\$ 88,020	\$ 20,633	\$ 108,653	\$ 22,085	\$ 1,403
Net present value of fixed pension contributions	\$ 60,323	\$ 14,141	\$ 74,464	\$ 13,610	\$ 1,423
State of Minnesota’s proportionate share of the net pension liability associated with the entity	\$ 3,752	\$ 880	\$ 4,632	\$ 903	\$ 66
Total	\$ 152,095	\$ 35,654	\$ 187,749	\$ 36,598	\$ 2,892

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

D – Pension Costs

1. GERP Pension Costs (continued)

At December 31, 2024, the City, Park Board, and MBC reported proportionate shares of the GERP’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	City	Park Board	MBC	City	Park Board	MBC
Differences between expected and actual economic experiences	\$ 10,856	\$ 2,227	\$ 142	\$ -	\$ -	\$ -
Changes in actuarial assumptions	540	112	8	44,404	9,210	587
Difference between projected and actual investment earnings	-	-	-	34,746	6,780	430
Changes in proportion	5,576	1,519	1	507	673	59
Contributions paid to PERA subsequent to the measurement date	10,307	2,042	123	-	-	-
Total	<u>\$ 27,279</u>	<u>\$ 5,900</u>	<u>\$ 274</u>	<u>\$ 79,657</u>	<u>\$ 16,663</u>	<u>\$ 1,076</u>

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to net pension liability for the year ended December 31, 2025. These contributions total \$10,307 for the City, \$2,042 for the Park Board, and \$124 for MBC. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount		
	City	Park Board	MBC
2025	(34,891)	(6,736)	(511)
2026	(4,902)	(1,131)	(106)
2027	(14,006)	(3,132)	(193)
2028	(8,886)	(1,806)	(115)

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS**D – Pension Costs (continued)****2. PEPFP Pension Costs**

At December 31, 2024, the City reported a liability of \$123,976 for the proportionate share of the PEPFP's net pension liability related to payroll contributions. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid from July 1, 2023, through June 30, 2024, relative to the total employer payroll related contributions received from all of PERA's participating employers. At June 30, 2024, the City's proportionate share related to payroll contributions was 10.2515 percent, which was a decrease of 0.1583 percent from its proportion measured as of June 30, 2023. In addition to the payroll contributions, the City contributes statutorily fixed amounts related to closed pension plans now merged into PERA. The City will continue to make these contributions through 2031, and the net present value of these fixed contributions is \$48,923 as of the June 30, 2024 measurement date. The resulting combined net pension liability reported by the City as of December 31, 2024 is \$172,899. The combined liability represents a proportionate share of the Plan's net pension liability equal to 13.1421 percent for the City.

At December 31, 2024, the Park Board reported a liability of \$3,775 for the proportionate share of the PEPFP's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Each employer's proportion of the net pension liability was based on the employer's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2024, the Park Board's proportion share was 0.2788 percent, which was an decrease of 0.0289 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City and Park Board recognized pension expense of (\$21,959) and \$9 respectively for the proportionate share of the PEPFP's pension expense.

The State of Minnesota contributed \$19.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution was a one-time direct state aid that does not meet the definition of a special funding situation. Additionally, the State of Minnesota contributed \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2023. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached for three consecutive years or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded for three consecutive years, or until the Police and Fire Plan and State Patrol Plan are 90 percent funded for three consecutive years, or July 1, 2048, whichever is earlier.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended June 30, 2024, the City and Park Board respectively recognized pension expense of (\$713) and (\$14) for its proportionate share of the Police and Fire Plan's pension expense. The City and Park Board respectively recognized (\$713) and (\$14) as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

D – Pension Costs

2. PEPFP Pension Costs (continued)

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 and Park Board recognized (\$3,607) and (\$73) for the year ended December 31, 2024 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.

The table below shows the share of each category of pension liability for the City and Park Board and the total by entity.

	City	
	Governmental	
	Activities	Park Board
Payroll related proportionate share of the net pension liability	\$ 123,976	\$ 3,372
Net present value of fixed pension contributions	48,923	-
State of Minnesota’s proportionate share of the net pension liability associated with the entity	6,370	130
Total	\$ 179,269	\$ 3,502

At December 31, 2024, the City and Park Board reported proportionate shares of the PEPFP’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	City	Park Board	City	Park Board
Differences between expected and actual economic experiences	\$ 54,101	\$ 1,529	\$ -	\$ -
Changes in actuarial assumptions	161,857	4,391	203,544	5,955
Difference between projected and actual investment earnings	-	-	45,793	1,154
Changes in proportion	-	70	20,243	507
Contributions paid to PERA subsequent to the measurement date	14,070	445	-	-
Total	\$ 230,028	\$ 6,435	\$ 269,580	\$ 7,616

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

D – Pension Costs

2. PEPFP Pension Costs (continued)

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to net pension liability for the year ended December 31, 2025. These contributions total \$14,070 for the City and \$445 for the Park Board. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>	
	<u>City</u>	<u>Park Board</u>
2025	(11,078)	(284)
2026	35,056	922
2027	(23,255)	(650)
2028	(57,012)	(1,618)
2029	2,667	4

3. TRA Pension Costs

At December 31, 2024, the City reported a liability of \$27,977 for its share of the TRA’s net pension liability. The net pension liability for TRA is equivalent to the net present value of the City’s statutorily required contributions for the life of the obligation. The City is statutorily obligated to contribute \$2,250 each year to TRA until the plan is fully funded as determined by the plan’s actuary. It is currently expected that the plan will be fully funded, ending the City’s obligation, in the year 2039. The net present value of the City’s obligation was determined using the expected remaining years of contributions, discounted at the plan’s discount rate of 7.00 percent.

For the year ended December 31, 2024, the City recognized pension expense of \$(37) for its share of the TRA’s pension expense.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to TRA’s pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	\$ 752	\$ -

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

D – Pension Costs

3. TRA Pension Costs (continued)

As mentioned above, the City has a statutory obligation to contribute to the TRA as a non-employer contributing agency. There were no contributions subsequent to the measurement date that would be recognized as a reduction to net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2025	376
2026	376

4. Total Pension Costs

Total pension expense for year ended December 31, 2024 is as shown in the chart below:

	<u>City</u>	<u>Park Board</u>	<u>MBC</u>
GERP	\$ (14,097)	\$ (2,238)	\$ (87)
PEPFF	(21,959)	9	-
TRA	(37)	-	-
	<u>\$ (36,093)</u>	<u>\$ (2,229)</u>	<u>\$ (87)</u>

E – Long-Term Expected Return on Investment

The long-term expected rate of return on pension plan investments is 7.00 percent. The State Board of Investment, which manages the investments of PERA and TRA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	33.50%	5.10%
International Equity	16.50	5.30
Fixed Income	25.00	0.75
Private Markets	25.00	5.90

F. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent in 2024. This was the same as 2023. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan and the Police and Fire Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

F. Discount Rate (continued)

In the TRA Plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected payments to determine the total pension liability.

G – Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the individual entry age normal actuarial cost method and the following additional actuarial assumptions:

Assumption	GERP	PEPFF	TRA
Inflation	2.25% per year	2.25% per year	2.50%
Active Member Payroll Growth	3.00% per year	3.00% per year	3.00%
Investment Rate of Return	7.00%	7.00%	7.00%

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. Mortality rates for active members, retirees, survivors, and debilitants were based on the Pub-2010 General Employee Mortality Table for the General Employees Plan and the Pub-2010 Public Safety Employee Mortality tables for the Police and Fire Plan. The tables are adjusted slightly to fit PERA’s experience. Cost of living benefit increases for retirees are assumed to be 1.25 percent for the General Employees Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.00 percent as set by state statute. Cost of living increases for TRA are 1.00 percent for January 2019 through January 2023, then increasing by 0.1 percent each year up to 1.5 percent annually.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2024 were adopted by the Board and became effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

Changes in Actuarial Assumptions:

- Salary increase rates of merit and seniority were increased slightly.
- Slight adjustment made to assumed rates of retirement and rates of withdrawal.
- Rates of disability were lowered.
- Slight adjustments made to mortality as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees
- Minor changes with respect to missing participant data.

Changes in Plan Provisions:

- The workers’ compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS

G – Actuarial Assumptions (continued)

Police and Fire Fund

Changes in Actuarial Assumptions:
(none)

Changes in Plan Provisions:

- The criteria for ending the \$9.0 million contribution was extended slightly to require a 90% funded status for 3 consecutive years, rather than 1 year (but not later than July 1, 2048).
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets for one year (or July 1, 2048 if earlier).

Teachers Retirement Association

Changes in Plan Provisions:

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family of tables.
- Retirement rates were increased for some of the tier 2 early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first ten years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

H – Pension Liability Sensitivity

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

Plan and Entity	1% Decrease to Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF Discount Rate	6.0%	7.0%	8.0%
City	322,605	183,117	68,104
Park Board	63,996	35,694	12,364
MBC	4,643	2,826	1,326
PEPFF Discount Rate	6.0%	7.0%	8.0%
City	357,917	172,899	20,813
Park Board	8,363	3,775	(726)
TRA Discount Rate	6.0%	7.0%	8.0%
City	30,414	27,977	25,857

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 10 – DEFINED BENEFIT PENSION PLANS**I – Pension Plan Fiduciary Net Position**

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

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org.

NOTE 11 - DEFINED CONTRIBUTION PLAN – CPED**A – Plan Description**

Qualified CPED employees belong to a defined contribution pension plan administered by Union Central Life Insurance Company. A permanent employee becomes a participant in the plan on April 1 or October 1, following completion of his or her probationary period and after attaining age 20 1/2.

Benefits and contribution requirements are established and can be amended by the City of Minneapolis City Council. All provisions are within limitations established by Minnesota Statutes.

The payroll for employees covered by the CPED's defined contribution plan for the year ended December 31, 2024, was \$1,311 and the CPED's total payroll was \$24,804.

B – Contributions Required and Made

The City of Minneapolis and CPED employee participants are each required to contribute five percent of the participants' annual compensation to an investment fund administered by Union Central Life Insurance Company, which will provide retirement benefits under a Money Purchase Plan. Participants are vested at the rate of 20 percent per year, for the employer's share of the contribution, and are 100 percent vested immediately for their individual contribution.

The City and CPED employee participants contributed \$73 and \$67 respectively to the plan during the year, which amounts represented 5.53 percent and 5.10 percent respectively of the covered payroll.

NOTE 12 – POSTEMPLOYMENT BENEFITS PLAN

The City engaged a consulting actuary who has conducted a review of liabilities to be reported as required by Governmental Accounting Standards Board (GASB) Statement number 75. In general, the City does not pay the cost of health insurance for retired employees, except in limited circumstances. Retired City employees, however, may purchase health insurance offered to City employees at the retired employee's expense. Including retired employees with current employees causes health insurance premiums for current employees to be more than if retired employees were not in the same pool of insureds. The City and current employees share the cost of health insurance for current employees. The increased cost of health insurance premiums for current employees is considered an implicit subsidy for the retired employees and is disclosed as required by GASB 75.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 12 – POSTEMPLOYMENT BENEFITS PLAN (continued)

A – Plan Description

The City, Park Board and MBC provide a single employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical and dental coverage. Medical coverage is administered by Medica. Dental coverage is administered through the Delta Dental Plan of Minnesota. The City and Park Board are self-insured for both medical and dental coverage. Beginning in 2018, MBC was no longer under the City’s insurance plan. Results below reflect the results of the December 31, 2024, actuarial valuation. Retirees pay 100 percent of the blended active/retiree premium rate, in accordance with Minnesota Statutes Section 471.61, subd. 2b.

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The other postemployment benefit plan (OPEB) does not issue a stand-alone financial report.

As of the actuarial valuation for the fiscal year ending December 31, 2024, the following employees were covered by the benefit terms:

<u>Category</u>	<u>City</u>	<u>Park Board</u>	<u>MBC</u>
Inactive employees or beneficiaries currently receiving benefit payments	493	10	7
Active plan participants	3,777	487	42
Total	<u>4,270</u>	<u>497</u>	<u>49</u>

B – Total OPEB Liability

The City’s and Park Board’s total OPEB liability of \$128,027 and \$1,418 respectively, was measured as of December 31, 2023, with an actuarial valuation as of December 31, 2022. MBC’s total OPEB liability of \$603 was measured as of January 1, 2024, and was determined by an actuarial valuation as of January 1, 2023.

This Section Left Blank Intentionally

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 12 – POSTEMPLOYMENT BENEFITS PLAN

B – Total OPEB Liability (continued)

The total OPEB liability in the fiscal year-end December 31, 2024, actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods and entities included in the measurement, unless otherwise specified:

Inflation	2.25 % for City and Park Board; 2.50% for MBC
Salary increases	Based on years of service, ranging from 3.00 % to 10.25% for City and Park Board; based on years of service, ranging from 3.00% to 10.25% for MBC
Health care cost trend	6.20% in 2024, gradually decreasing over several decades to an ultimate rate of 4.04% in 2075 and later years for City and Park Board. 6.25% for 2024, grading to 5.00% over 5 years and then 4.00% over the next 48 years for MBC
Discount Rate	3.26% for City and Park Board; 3.70% for MBC
Mortality Rate	<p>City and Park Board General Healthy Pre-Retirement: Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021. Rates are multiplied by a factor of 1.07 for males and 0.98 for females.</p> <p>City and Park Board General Healthy Post-Retirement: Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021. Rates are multiplied by a factor of 1.02 for males and 0.90 for females.</p> <p>City and Park Board General Disabled Retiree: Pub-2010 General/Teacher Disabled Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021. Rates are set forward two years for males and set forward four years for females.</p> <p>City and Park Board Police Fire Healthy Pre-Retirement: Pub-2010 Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021.</p> <p>City and Park Board Police Fire Healthy Post-Retirement: Pub-2010 Public Safety Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021. Male rates are multiplied by a factor of 0.98.</p> <p>City and Park Board Police Fire Disabled Retiree: Pub-2010 Public Safety Disabled Retiree Mortality Table adjusted for mortality improvements using projection scale MP-2021. Male rates are multiplied by a factor of 1.05.</p> <p>MBC All Participants: Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.</p>
Actuarial Cost Method	Entry age, normal percentage of pay

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 12 – POSTEMPLOYMENT BENEFITS PLAN (continued)

C – Changes in the Total OPEB liability

	<u>City</u>	<u>Park Board</u>	<u>MBC</u>
Balance at January 1, 2024	\$ 122,427	\$ 1,338	\$ 659
Changes for the year			
Service cost	2,553	29	32
Interest cost	4,530	50	25
Changes of assumptions	4,900	72	6
Benefit payments	(6,383)	(71)	(119)
Total net change	<u>5,600</u>	<u>80</u>	<u>(56)</u>
Balance at December 31, 2024	<u>\$ 128,027</u>	<u>\$ 1,418</u>	<u>\$ 603</u>

Liabilities arising from postemployment benefits are generally liquidated from the fund where the employee’s salary was originally charged.

D – OPEB Liability Sensitivity

The following presents the total OPEB liability of the City, Park Board, and MBC, calculated using the discount rate previously disclosed, as well as what each entity’s total OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount Rate	2.26%	3.26%	4.26%
City total OPEB liability	\$ 139,868	\$ 128,027	\$ 117,716
Park Board total OPEB liability	\$ 1,550	\$ 1,418	\$ 1,304
Discount Rate	2.70%	3.70%	4.70%
MBC total OPEB liability	\$ 626	\$ 603	\$ 581

The following presents the total OPEB liability of the City, Park Board, and MBC, calculated using the health care cost trend previously disclosed, as well as what the City’s, Park Board’s, and MBC’s total OPEB liability would be if it were calculated using health care cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current health care cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Medical Trend Rate	5.20% Decreasing to 4.04% by 2075	6.20% Decreasing to 4.04% by 2075	7.20% Decreasing to 4.04% by 2075
City total OPEB liability	\$ 113,964	\$ 128,027	\$ 144,453
Park Board total OPEB liability	\$ 1,263	\$ 1,418	\$ 1,600
Medical Trend Rate	5.25% Decreasing to 4.00% over 5 years	6.25% Decreasing to 5.00% over 5 years	7.25% Decreasing to 6.00% over 5 years
MBC total OPEB liability	\$ 566	\$ 603	\$ 646

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 12 – POSTEMPLOYMENT BENEFITS PLAN (continued)

E – OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City, Park Board, and MBC recognized OPEB expense of \$13,727, \$170, and (\$127), respectively. The City, Park Board, and MBC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	City	Park Board	MBC	City	Park Board	MBC
Liability experience (gains) and losses	\$ 61,145	\$ 680	\$ -	\$ -	\$ -	\$ 53
Changes in actuarial assumptions	5,294	59	4	5,756	69	13
Contributions paid subsequent to the measurement date	6,750	157	105	-	-	-
Total	73,189	896	109	5,756	69	66

Contributions subsequent to the measurement date are shown as deferred outflows in the above table and will be recognized as a reduction to OPEB liability for the year ended December 31, 2025. These contributions total \$6,750 for the City, \$157 for the Park Board, and \$105 for MBC. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended December 31:	OPEB Expense Amount		
	City	Park Board	MBC
2025	\$ 13,493	\$ 150	\$ (64)
2026	13,164	146	2
2027	12,294	137	-
2028	11,942	133	-
2029	9,232	103	-
Thereafter	558	1	-

F – Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2024 for the City and Park Board:

- The discount rate has been updated from 3.72% to 3.26%.

The following changes in actuarial assumptions occurred in 2024 for MBC:

- The discount rate was changed from 4.00% to 3.70%.

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 13 – VACATION, SEVERANCE, SICK AND COMPENSATORY TIME PAY

Depending on the terms of their collective bargaining contract, or the policies applicable to their classification, employees may accumulate up to 400 hours of vacation.

Sick leave may be accumulated indefinitely by employees. Also, employees have the option of being paid once a year for current unused sick leave accumulated over a minimum base of 480 hours or, under certain circumstances, CPED employees may be allowed to have unused sick leave converted to vacation and added to their vacation balance. Payments are based on a sliding scale ranging from 50 percent to 100 percent depending on the base level attained. In addition, under certain circumstances, employees leaving City employment may qualify to receive payment for 50 percent of their unused sick leave at their current rate of pay.

Employees, depending on their classification, and subject to prior approval of their supervisor, may earn compensatory time in lieu of paid overtime. Policies are in effect which are designed to place constraints on the amount of compensatory time an employee may accumulate.

Liabilities arising from compensated absences are generally liquidated from the fund where the employee’s salary was originally charged.

Primary Government

Activity for the primary government for the year ended December 31, 2024, was as follows:

	<u>Balance 1/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2024</u>
Compensated absences payable:				
Governmental activities	\$ 46,196	\$ 48,542	\$ (27,118)	\$ 67,620
Business-type activities	4,130	6,250	(3,434)	6,946
Total	<u>\$ 50,326</u>	<u>\$ 54,792</u>	<u>\$ (30,552)</u>	<u>\$ 74,566</u>

Discretely Presented Component Units

Activity for the discretely presented component units for the year ended December 31, 2024, was as follows:

	<u>Balance 1/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2024</u>
Compensated absences payable:				
Minneapolis Park and Recreation Board	\$ 4,469	\$ 6,707	\$ (3,829)	\$ 7,347
Municipal Building Commission	234	391	(237)	388
Total	<u>\$ 4,703</u>	<u>\$ 7,098</u>	<u>\$ (4,066)</u>	<u>\$ 7,735</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 14 – SELF-INSURED EMPLOYEE HEALTH PLANS

Employee health claims are accounted for in the Self-Insurance internal service fund. The City makes premium payments to the fund that include both employer and employee contributions. A liability was recorded at year-end for estimated open and IBNR claims which are evaluated through a review of current year claims paid as well as claims paid subsequent to year-end. Changes in the employee health plan liability during fiscal 2023 and 2024 are as follows:

	<u>2023</u>	<u>2024</u>
Incurring but not Received Claims (IBNR)	\$ 10,056	\$ 9,026
Claims Adjustment Expense	28	29
Provision for Adverse Deviation	<u>211</u>	<u>200</u>
Total Estimated Actuarial Liabilities	<u>\$ 10,295</u>	<u>\$ 9,255</u>

NOTE 15 – RISK MANAGEMENT AND CLAIMS

The City is self-insured and exposed to a variety of risks related to liability claims, property, personal injury and accidents. The City is self-insured for workers' compensation, general liability, and re-employment. Liability claims under \$25 and unrepresented are managed by Risk Management and Claims. Liability claims that are represented and over \$25 are managed by the City Attorneys' Office. The City, CPED and the BET are self-insured for general liability. The workers' compensation program includes the BET and all City departments. The Park Board and MBC maintain their own workers' compensation and liability programs. The claims liability of \$227,956 reported in the Self-Insurance Internal Service Fund at December 31, 2024, is based on the requirements of GASB Statement No. 10 - *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and covers the exposures of workers' compensation and liability. An actuarial study completed in March of 2025 for claim exposure and settlements payments, calculated that the claims liability at December 31, 2024 is \$227,956, an increase of \$35,926 from the liability amount of \$192,030 at December 31, 2023.

Per State Statute, the City purchases excess insurance for its workers' compensation program from the Workers' Compensation Reinsurance Association (WCRA) and supports the State's regulation authority through payments in the Special Compensation Fund (SCF). The WCRA reimburses members for individual claim losses exceeding the City's retention limit. Reimbursements by the Second Injury Fund come through the SCF. Workers' compensation coverage is governed by State of Minnesota statutes. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can reasonably be estimated. Liabilities include an amount for estimated claims administration expenses and an amount for claims that have been incurred but are not reported (IBNR).

The City, including all discrete and blended component units of government, also maintains a self-funded dental plan for covered employees. Dental coverage is based on plan design and includes Delta Dental PPO coverage of up to \$1.5 or Delta Dental Premier coverage of up to \$1.0 per person annually.

Changes in the claim's liabilities during fiscal 2023 and 2024 are:

	<u>2023</u>	<u>2024</u>
Liability balance – January 1	\$ 166,653	\$ 192,030
Current year claims and changes in estimates	60,514	47,285
Claims payments	<u>(35,137)</u>	<u>(11,360)</u>
Liability balance – December 31	<u>\$ 192,030</u>	<u>\$ 227,955</u>

For the fiscal year ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 16 – CLEANUP OF HAZARDOUS MATERIALS

Properties owned by the City of Minneapolis may have certain contingent liabilities associated with them due to potential contamination from hazardous material or difficulty in securing vacant structures located on them. It is not expected that these contingencies will have a material effect on the financial statements of the City.

Any of these related costs that are incurred during City project construction are charged to the project that incurs them and are capitalized when the project is completed.

NOTE 17 – TAX ABATEMENTS

Tax Increment Financing Notes

The City is a party to tax abatements created by tax increment finance (TIF) agreements for development within City. TIF authorities are defined in Minn. Stat. § 469.174 and can include cities, housing redevelopment authorities, economic development authorities and port authorities. TIF captures the increased property taxes (increment) that a new real estate development generates to pay qualifying expenses related to the development. In many instances, the developer agrees to provide financing for the qualifying expenses. In exchange, the TIF authority agrees to annually pay a portion of the increment to the developer. These TIF agreements affect the property tax revenues of all governments that levy property tax on the property subject to the TIF agreement.

In the case of the City, TIF agreements with various developers have effectively reduced the property tax revenues for the year ended December 31, 2024, as shown below:

<u>Tax Abatement Program</u>	<u>Taxes Abated</u>
Tax Increment Financing	\$ 9,840

NOTE 18 – OTHER COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the grantor agencies. Any disallowed claims, including amounts previously recognized by the City as revenue, would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time. City officials expect such amounts, if any, to be immaterial.

As a large municipality with varied operations, the City is subject to various claims and litigations seeking money damages. While actions against the City vary in exposure, overall there is not an unusual number of pending actions, nor is there an unusual amount of money damages claimed. However, the City is currently involved in the following notable claims:

- The City is a defendant in a pending government administration suit regarding collected developer fees.
- The City is a defendant in a lawsuit involving the rental licensing of Minneapolis Public Housing dwellings.
- The City is a defendant in three alleged high exposure police misconduct actions.

The City has temporarily stopped work on a capital project currently included in the City’s construction in progress balance as of December 31, 2024. The project is a multi-year land development and building construction project to be used by both business-type and governmental activities for various functions including office space, maintenance shops, and more. The project is funded through bonds and cash contributions from participating funds. Work has been on hold pending the outcome of various legal challenges and proposed contractual agreements with a local group that seeks to purchase the location for an alternate use. It is the City management’s opinion that this work stoppage does not constitute a permanent impairment to the asset at this time, pending the outcome of the aforementioned legal and contractual discussions.



THIS PAGE IS INTENTIONALLY BLANK

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 370,576	\$ 370,576	\$ 338,298	\$ (32,278)
Licenses and permits	47,321	47,321	50,282	2,961
Intergovernmental revenues	109,237	109,227	94,505	(14,722)
Charges for services and sales	57,069	57,069	57,505	436
Fines and forfeits	5,172	5,172	5,589	417
Special assessments	4,564	4,564	5,524	960
Investment earnings	9,940	9,940	14,265	4,325
Miscellaneous revenues	2,880	2,880	3,394	514
Total revenues	<u>606,759</u>	<u>606,749</u>	<u>569,362</u>	<u>(37,387)</u>
CURRENT EXPENDITURES:				
Current:				
General government:				
Mayor	2,585	2,667	2,870	(203)
Legislative Department	25,642	27,600	22,524	5,076
Assessing	6,755	8,290	8,336	(46)
Attorney	21,466	21,473	21,683	(210)
Civil rights	6,766	6,959	6,270	689
Office Of Public Service	73,254	79,551	61,959	17,592
Information Technology	-	631	632	(1)
Neighborhood Safety	22,425	23,842	15,720	8,122
Arts And Cultural Affairs	2,568	2,562	1,452	1,110
Racial Equity Inclusion Belong	2,342	2,393	1,549	844
Performance Mgmt & Innovation	1,561	2,533	1,649	884
Contingency	23,244	23,244	-	23,244
General government pensions	-	-	550	(550)
Total general government	<u>188,608</u>	<u>201,745</u>	<u>145,194</u>	<u>56,551</u>
Public safety:				
Regulatory services	30,026	30,662	28,798	1,864
Office of Community Safety	15,080	15,700	15,026	674
Fire	80,608	80,608	87,477	(6,869)
Police	212,877	220,684	215,236	5,448
Public safety pensions	-	-	2,274	(2,274)
Total public safety	<u>338,591</u>	<u>347,654</u>	<u>348,811</u>	<u>(1,157)</u>
Public works	<u>70,733</u>	<u>71,389</u>	<u>72,902</u>	<u>(1,513)</u>
Health and welfare - Health and family support	<u>24,336</u>	<u>27,858</u>	<u>24,373</u>	<u>3,485</u>
Community planning and economic development	<u>45,934</u>	<u>68,171</u>	<u>46,983</u>	<u>21,188</u>
Debt Service:				
Principal retirement	-	-	1,642	(1,642)
Interest and fiscal charges	-	-	199	(199)
Total expenditures	<u>668,202</u>	<u>716,817</u>	<u>640,104</u>	<u>76,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,443)</u>	<u>(110,068)</u>	<u>(70,742)</u>	<u>39,326</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	60,390	90,228	89,957	(271)
Transfers to other funds	(17,192)	(20,596)	(20,596)	-
Software subscriptions issued	-	-	76	76
Leases issued	-	-	110	110
Total other financing sources (uses)	<u>43,198</u>	<u>69,632</u>	<u>69,547</u>	<u>(85)</u>
Net change in fund balance	(18,245)	(40,436)	(1,195)	39,241
Fund balances - January 1	<u>210,370</u>	<u>210,370</u>	<u>210,370</u>	<u>-</u>
Fund balances - December 31	<u>\$ 192,125</u>	<u>\$ 169,934</u>	<u>\$ 209,175</u>	<u>\$ 39,241</u>

The notes to the required supplementary information are an integral part of this schedule.

**COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 24,741	\$ 24,741	\$ 19,809	\$ (4,932)
Intergovernmental revenues	-	3,274	3,564	290
Charges for services and sales	-	-	1,464	1,464
Special assessments	-	-	29	29
Investment earnings	6,288	6,288	6,528	240
Miscellaneous revenues	5,991	5,991	1,706	(4,285)
Total revenues	<u>37,020</u>	<u>40,294</u>	<u>33,100</u>	<u>(7,194)</u>
EXPENDITURES:				
Current:				
General government	1,384	1,384	-	1,384
Community planning and economic development	61,886	163,543	52,308	111,235
Total expenditures	<u>63,270</u>	<u>164,927</u>	<u>52,308</u>	<u>112,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,250)</u>	<u>(124,633)</u>	<u>(19,208)</u>	<u>105,425</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	16,024	19,424	17,299	(2,125)
Transfers to other funds	-	-	(7,922)	(7,922)
Total other financing sources (uses)	<u>16,024</u>	<u>19,424</u>	<u>9,377</u>	<u>(10,047)</u>
Net change in fund balance	(10,226)	(105,209)	(9,831)	95,378
Fund balances - January 1	227,475	227,475	241,655	14,180
Restatement (see Note 1R)	-	-	(14,180)	(14,180)
Fund balances - January 1, as restated	<u>227,475</u>	<u>227,475</u>	<u>227,475</u>	-
Fund balances - December 31	<u>\$ 217,249</u>	<u>\$ 122,266</u>	<u>\$ 217,644</u>	<u>\$ 95,378</u>

The notes to the required supplementary information are an integral part of this schedule.

**GRANTS - FEDERAL
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 13,177	\$ 50,707	\$ 104,274	\$ 53,567
Investment earnings	3,965	3,965	4,208	243
Miscellaneous revenues	-	-	92	92
Total revenues	<u>17,142</u>	<u>54,672</u>	<u>108,574</u>	<u>53,902</u>
EXPENDITURES:				
Current:				
General government	458	10,197	7,649	2,548
Public safety	3,224	10,458	6,197	4,261
Public works	-	899	3,968	(3,069)
Health and welfare	6,496	38,113	13,295	24,818
Community planning and economic development	3,000	13,611	14,026	(415)
Intergovernmental:				
Health and Welfare - intergovernmental	-	-	168	(168)
Total expenditures	<u>13,178</u>	<u>73,278</u>	<u>45,303</u>	<u>27,975</u>
Excess (deficiency) of revenues over (under) expenditures	3,964	(18,606)	63,271	81,877
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	<u>(36,319)</u>	<u>(59,028)</u>	<u>(58,756)</u>	<u>272</u>
Net change in fund balances	(32,355)	(77,634)	4,515	82,149
Fund balances - January 1	<u>8,338</u>	<u>8,338</u>	<u>8,338</u>	<u>-</u>
Fund balances - December 31	<u>\$ (24,017)</u>	<u>\$ (69,296)</u>	<u>\$ 12,853</u>	<u>\$ 82,149</u>

The notes to the required supplementary information are an integral part of this schedule.

**HUD CONSOLIDATED PLAN
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 17,509	\$ 20,455	\$ 24,733	\$ 4,278
Charges for services and sales	-	-	515	515
Investment earnings	-	-	107	107
Miscellaneous revenues	612	612	826	214
Total revenues	<u>18,121</u>	<u>21,067</u>	<u>26,181</u>	<u>5,114</u>
EXPENDITURES:				
Current:				
General government	3,907	3,907	3,579	328
Public safety	1,090	1,115	1,115	-
Health and Welfare	494	502	456	46
Community planning and economic development	12,630	21,025	21,214	(189)
Total expenditures	<u>18,121</u>	<u>26,549</u>	<u>26,364</u>	<u>185</u>
Net change in fund balances	-	(5,482)	(183)	5,299
Fund balances - January 1	<u>5,521</u>	<u>5,521</u>	<u>5,521</u>	-
Fund balances - December 31	<u>\$ 5,521</u>	<u>\$ 39</u>	<u>\$ 5,338</u>	<u>\$ 5,299</u>

DEFINED BENEFIT PENSION PLANS

CITY OF MINNEAPOLIS, MINNESOTA

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed In Thousands)

**Schedule of City of Minneapolis' Contributions
PERA General Employees Retirement Plan
Required Supplementary Information (Last Ten Years)**

Fiscal Year Ending	Statutorily Contributions (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll* (d)	Actual Contributions as a Percentage of Covered Payroll** (b/d)
December 31, 2015	\$ 32,333	\$ 32,333	\$ -	\$ 167,834	19.3%
December 31, 2016	30,921	30,921	-	178,002	17.4%
December 31, 2017	25,977	25,977	-	187,351	13.9%
December 31, 2018	26,798	26,798	-	198,557	13.5%
December 31, 2019	27,487	27,487	-	208,180	13.2%
December 31, 2020	28,174	28,174	-	217,363	13.0%
December 31, 2021	27,157	27,157	-	203,866	13.3%
December 31, 2022	27,899	27,899	-	213,400	13.1%
December 31, 2023	29,813	29,813	-	239,552	12.4%
December 31, 2024	31,807	31,807	-	266,814	11.9%

**Schedule of Municipal Building Commission's Contributions
PERA General Employees Retirement Plan
Required Supplementary Information (Last Ten Years)**

Fiscal Year Ending	Statutorily Contributions (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll* (d)	Actual Contributions as a Percentage of Covered Payroll** (b/d)
December 31, 2015	\$ 518	\$ 518	\$ -	\$ 2,447	21.2%
December 31, 2016	527	527	-	2,392	22.0%
December 31, 2017	538	538	-	2,706	19.9%
December 31, 2018	436	436	-	2,814	15.5%
December 31, 2019	430	430	-	2,708	15.9%
December 31, 2020	444	444	-	2,887	15.4%
December 31, 2021	444	444	-	2,900	15.3%
December 31, 2022	446	446	-	2,916	15.3%
December 31, 2023	462	462	-	3,133	14.7%
December 31, 2024	477	477	-	3,463	13.8%

* For purposes of this schedule, covered payroll is defined as "pensionable wages."

** Statutorily required contributions include additional contributions as required by statute which affects contributions as a percentage of covered payroll.

The notes to the required supplementary information are an integral part of this schedule.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed In Thousands)

Schedule of City of Minneapolis' Proportionate Share of Net Pension Liability
 PERA General Employees Retirement Plan
 Required Supplementary Information (Last Ten Years)

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with City of Minneapolis (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Employer's Covered Payroll* (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position of the Total Pension Liability
June 30, 2015	6.8465%	\$ 354,821	N/A	\$ 354,821	\$ 160,155	221.5%	78.2%
June 30, 2016	6.5619%	532,790	6,959	539,749	172,446	309.0%	68.9%
June 30, 2017	5.2275%	333,721	4,254	337,975	182,342	183.0%	75.9%
June 30, 2018	5.6525%	313,579	9,555	323,134	193,999	161.6%	79.5%
June 30, 2019	4.7294%	261,478	10,610	272,088	202,835	128.9%	80.2%
June 30, 2020	4.7247%	283,266	9,617	292,883	212,140	133.5%	79.1%
June 30, 2021	5.0671%	216,387	6,602	222,989	203,990	106.1%	87.0%
June 30, 2022	4.0135%	317,869	11,403	329,272	209,243	151.9%	76.7%
June 30, 2023	4.4338%	247,933	7,767	255,700	232,649	106.6%	83.1%
June 30, 2024	4.9532%	183,117	4,632	187,749	251,024	72.9%	89.1%

Schedule of Municipal Building Commission's Proportionate Share of Net Pension Liability
 PERA General Employees Retirement Plan
 Required Supplementary Information (Last Ten Years)

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Municipal Building Commission (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Employer's Covered Payroll* (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position of the Total Pension Liability
June 30, 2015	0.0870%	\$ 4,509	N/A	\$ 4,509	\$ 2,365	190.7%	78.2%
June 30, 2016	0.1116%	9,061	118	9,179	2,398	377.9%	68.9%
June 30, 2017	0.0857%	5,469	70	5,539	2,499	218.8%	75.9%
June 30, 2018	0.0931%	5,164	156	5,320	2,750	187.8%	79.5%
June 30, 2019	0.0739%	4,086	175	4,261	2,753	148.4%	80.2%
June 30, 2020	0.0705%	4,230	150	4,380	2,772	152.6%	79.1%
June 30, 2021	0.0817%	3,490	106	3,596	2,811	124.2%	87.0%
June 30, 2022	0.0621%	4,916	180	5,096	2,939	167.3%	76.7%
June 30, 2023	0.0671%	3,753	121	3,874	3,079	121.9%	83.1%
June 30, 2024	0.0764%	2,826	66	2,892	3,310	85.4%	89.1%

* For purposes of this schedule, covered payroll is defined as "pensionable wages."

The notes to the required supplementary information are an integral part of this schedule.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed In Thousands)

Schedule of City of Minneapolis' Contributions
PERA Public Employees Police and Fire Plan
Required Supplementary Information (Last Ten Years)

Fiscal Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll* (d)	Actual Contributions as a Percentage of Covered Payroll** (b/d)
December 31, 2015	\$ 28,504	\$ 28,504	\$ -	\$ 104,749	27.2%
December 31, 2016	31,460	31,460	-	109,924	28.6%
December 31, 2017	33,652	33,652	-	123,464	27.3%
December 31, 2018	33,814	33,814	-	124,135	27.2%
December 31, 2019	29,160	29,160	-	126,780	23.0%
December 31, 2020	31,566	31,566	-	134,819	23.4%
December 31, 2021	28,713	28,713	-	118,830	24.2%
December 31, 2022	28,906	28,906	-	117,964	24.5%
December 31, 2023	30,994	30,994	-	133,577	23.2%
December 31, 2024	33,468	33,468	-	150,763	22.2%

Schedule of City of Minneapolis' Proportionate Share of Net Pension Liability
PERA Public Employees Police and Fire Plan
Required Supplementary Information (Last Ten Years)

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with City of Minneapolis (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Liability (Asset) (a+b)	Employer's Covered Payroll* (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Position of the Total Pension Liability
June 30, 2015	19.4220%	\$ 220,680	N/A	\$ 220,680	\$ 101,015	218.5%	86.6%
June 30, 2016	19.8370%	796,093	N/A	796,093	106,039	750.8%	63.9%
June 30, 2017	20.8345%	281,291	N/A	281,291	120,133	234.1%	85.4%
June 30, 2018	22.5320%	240,167	N/A	240,167	123,917	193.8%	88.8%
June 30, 2019	17.5833%	187,192	N/A	187,192	124,200	150.7%	89.3%
June 30, 2020	16.5738%	218,460	4,812	223,272	130,203	167.8%	87.2%
June 30, 2021	18.6986%	144,333	4,945	149,278	124,980	115.5%	93.7%
June 30, 2022	12.0884%	526,041	25,500	551,541	119,405	440.6%	70.5%
June 30, 2023	13.1791%	227,586	9,354	236,940	127,015	179.2%	86.5%
June 30, 2024	13.1421%	172,899	6,370	179,269	135,273	127.8%	90.2%

* For purposes of this schedule, covered payroll is defined as "pensionable wages."

** Statutorily required contributions include additional contributions as required by statute which affect contributions as a percentage of covered payroll.

The notes to the required supplementary information are an integral part of this schedule.

DEFINED BENEFIT PENSION PLANS

CITY OF MINNEAPOLIS, MINNESOTA

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed In Thousands)

**Schedule of City of Minneapolis' Contributions
Teachers Retirement Association (Special Funding Situation)
Required Supplementary Information (Last Ten Years)**

Fiscal Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll* (d)	Actual Contributions as a Percentage of Covered Payroll (b/d)
December 31, 2015	\$ 2,250	\$ 2,250	\$ -	\$ -	N/A
December 31, 2016	2,250	2,250	-	-	N/A
December 31, 2017	2,250	2,250	-	-	N/A
December 31, 2018	2,250	2,250	-	-	N/A
December 31, 2019	2,250	2,250	-	-	N/A
December 31, 2020	2,250	2,250	-	-	N/A
December 31, 2021	2,250	2,250	-	-	N/A
December 31, 2022	2,250	2,250	-	-	N/A
December 31, 2023	2,250	2,250	-	-	N/A
December 31, 2024	2,250	2,250	-	-	N/A

**Schedule of City of Minneapolis' Proportionate Share of Net Pension Liability
Teachers Retirement Association (Special Funding Situation)
Required Supplementary Information (Last Ten Years)**

Measurement Date	City's Proportion (Percentage) of the Net Pension Liability (Asset)	City's Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered Payroll* (b)	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position of the Total Pension Liability
June 30, 2015	0.5911%	\$ 36,365	\$ -	N/A	76.8%
June 30, 2016	0.5767%	137,557	-	N/A	44.9%
June 30, 2017	N/A	29,294	-	N/A	51.6%
June 30, 2018	N/A	26,573	-	N/A	78.1%
June 30, 2019	N/A	26,316	-	N/A	78.2%
June 30, 2020	N/A	27,248	-	N/A	75.5%
June 30, 2021	N/A	29,138	-	N/A	86.6%
June 30, 2022	N/A	28,777	-	N/A	76.2%
June 30, 2023	N/A	28,390	-	N/A	76.4%
June 30, 2024	N/A	27,977	-	N/A	82.1%

* For purposes of this schedule, covered payroll is defined as "pensionable wages."

The notes to the required supplementary information are an integral part of this schedule.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed In Thousands)

Schedule of Changes in the City of Minneapolis'
Total OPEB Liability and Related Ratios
Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Service Cost	Interest	Differences Between Expected and		Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered - Employee Payroll	Total OPEB Liability as a Percentage of Covered Payroll
			Actual Experience	Changes of Assumptions						
December 31, 2018	\$ 1,453	\$ 1,106	\$ -	\$ -	\$ (1,871)	\$ 688	\$ 32,986	\$ 33,674	\$ 288,517	11.67%
December 31, 2019	1,531	1,147	3,124	186	(2,048)	3,940	33,674	37,614	315,652	11.92%
December 31, 2020	1,900	1,424	-	2,648	(2,305)	3,667	37,614	41,281	354,304	11.65%
December 31, 2021	1,967	1,164	5,375	(303)	(2,271)	5,932	41,281	47,213	348,530	13.55%
December 31, 2022	2,566	1,028	-	180	(2,565)	1,209	47,213	48,422	368,160	13.15%
December 31, 2023	2,661	1,001	83,815	(7,813)	(5,659)	74,005	48,422	122,427	392,758	31.17%
December 31, 2024	2,553	4,530	-	4,900	(6,383)	5,600	122,427	128,027	438,207	29.22%

Schedule of Changes in the Municipal Building Commission's
Total OPEB Liability and Related Ratios
Required Supplementary Information (Last Ten Years*)

Fiscal Year Ending	Service Cost	Interest	Differences Between Expected and		Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	Covered - Employee Payroll	Total OPEB Liability as a Percentage of Covered Payroll
			Actual Experience	Changes of Assumptions						
December 31, 2018	\$ 35	\$ 30	\$ -	\$ -	\$ (108)	\$ (43)	\$ 937	\$ 894	\$ 2,489	35.92%
December 31, 2019	31	29	46	(4)	(115)	(13)	894	881	2,596	33.94%
December 31, 2020	36	33	-	28	(103)	(6)	881	875	2,674	32.72%
December 31, 2021	37	25	115	(14)	(90)	73	875	948	2,727	34.76%
December 31, 2022	39	19	-	-	(90)	(31)	948	917	2,809	32.65%
December 31, 2023	30	18	(162)	(38)	(106)	(258)	917	659	2,940	22.41%
December 31, 2024	32	25	-	6	(119)	(56)	659	603	3,028	19.91%

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2018

Assets have not been accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 to pay related benefits.

The notes to the required supplementary information are an integral part of this schedule.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – BUDGETS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and major special revenue funds.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATION

The legal level of budgetary control is at the department level within a fund. This means all Public Works departments report as one department, all Coordinator departments report as one department, and the Council and Clerk and Clerk – Elections departments report as one. The following departments in the General Fund had expenditures in excess of appropriation for the fiscal year ending December 31, 2024.

	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government:			
Mayor	\$ 2,667	\$ 2,870	\$ (203)
Assessing	8,290	8,336	(46)
Attorney	21,473	21,683	(210)
Information Technology	631	632	(1)
General government pensions	-	550	(550)
Public Safety:			
Fire	80,608	87,477	(6,869)
Public safety pensions	-	2,274	(2,274)
Public Works	71,389	72,902	(1,513)
Debt Service:			
Principal retirement	-	1,642	(1,642)
Interest and fiscal charges	-	199	(199)
Special Revenue:			
Grants - Federal - Public Works	899	3,968	(3,069)
Grants - Federal - CPED	13,611	14,026	(415)
Grants - Federal - Intergovernmental Health and Wellness	-	168	(168)
HUD Consolidated Plan - CPED	21,025	21,214	(189)

To mitigate the effects of these excess expenditures, the City regularly reviews budgetary performance and makes adjustments as necessary. No budgets are established for general government or public safety pensions. Because the expense recorded here is offset by an equal amount of revenue related to contributions to the pension plans from the State of Minnesota, it is not expected that the City will budget for this activity. The Fire Dept exceeded budget due to overtime costs and back pay due to a settled union contract. The Mayor, Assessing, and Attorney exceeded budget due to personnel services over budget. The General Fund portion of IT was over budget due to contractual commitments. For the Grant Special Revenue fund, Public Works was over budget due to overages in the replacement of lead pipes and CPED was over budget due to professional services. The HUD Consolidated Plan for CPED was over budget due to an adjustment for Properties Held for Resale. No budgets are established for lease and software subscriptions principal retirement and interest and fiscal charges.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions**

The following changes in actuarial assumptions occurred:

General Employees Retirement Plan2024

- Salary increase rates of merit and seniority were increased slightly.
- Slight adjustment made to assumed rates of retirement and rates of withdrawal.
- Rates of disability were lowered.
- Slight adjustments made to mortality as recommended in the most recent experience study.
- Minor changes with respect to missing participant data.

2024 (continued)

- Continued use of Pub-2010 general mortality table with slight rate adjustment as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- The workers' compensation offset of disability benefits was eliminated.
- The actuarial equivalent factors updated to reflect the changes in assumptions.

2023

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.
- A one-time direct state aid contribution of \$170.1 million occurred on October 1, 2023.
- The vesting period for 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.
- For Basic Plan members, a one-time, non-compounding benefit of 4.00 percent, minus the actual 2024 payment adjustment, will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- For Coordinated Plan members, a one-time, non-compounding benefit increase of 2.50 percent, minus the actual 2024 adjustment, will be payable in a lump sum for a calendar year 2024 by March 31, 2024.

2022

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

2021

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

2020

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years two to five and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions****General Employees Retirement Plan**2020 (continued)

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Employee Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality table to the Pub-2010 General/Teacher Disabled Retiree Mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP- 2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.
- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020, through December 31, 2023, and 0.00 percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019

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

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.
- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost-of-living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions changed the employer supplemental contribution to \$21,000 in calendar years 2017 and 2018 and returns to \$31,000 through calendar year 2031. The State's required contribution is \$16,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000 annually through calendar year 2031.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions****General Employees Retirement Plan (continued)**2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Police and Fire Plan2024

- The state contribution of \$9,000 per year will continue until the earlier of: (1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 90 percent funded status for three consecutive years (on an actuarial value of basis basis), or (2) July 2, 2048. The contribution was previously due to expire upon attainment of 90 percent funded status for one year.
- The additional \$9 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048, if earlier. This contribution was previously due to expire upon retirement of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048, if earlier).

2023

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.
- A one-time direct aid contribution of \$19.4 million occurred on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded ten-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 after ten years.
- A one-time, non-compounding benefit increase of 3.00 percent 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 to the member's occupation.
- A total and permanent duty disability benefit was added effective July 1, 2023.

2022

- The investment return and single discount rates were changed from 6.50 percent to 5.40 percent
- The mortality improvement scale was changed from MP-2020 to MP-2021

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions****Public Employees Police and Fire Plan (continued)**2021

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

2020

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

2019

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

2018

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution. Additionally, annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed effective January 1, 2019, and January 1, 2020, from 10.80 percent to 11.30 and 11.80 percent of pay, respectively. Employer contributions were changed effective January 1, 2019, and January 1, 2020, from 16.20 percent to 16.95 and 17.70 percent of pay, respectively. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017

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

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions****Public Employees Police and Fire Plan**2017 (continued)

- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Teachers' Retirement Association Fund2024

- Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family of tables.
- Retirement rates were increased for some of the tier 2 early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience.
- Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience.
- Termination rates were reduced in the first ten years of employment and slightly increased in years 16 to 25 to better match the observed experience.
- Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

2023

- There were no changes in actuarial assumptions.

2022

- There were no changes in actuarial assumptions.

2021

- The investment return assumption was changed from 7.50% to 7.00%.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions****Teachers' Retirement Association Fund (continued)**2020

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years. Generational projections use the MP-2015 scale.
- Assumed form of annuity election proportions were changed to more closely reflect experience for female retirees.

2019

- No changes in actuarial assumptions for 2019.

2018

- The investment return assumption was changed from 8.50 percent to 7.50 percent.
- The wage inflation assumption (above price inflation) was reduced from 0.75 percent to 0.35 percent for the next 10 years, and 0.75 percent thereafter.
- The price inflation was lowered from 3.00 percent to 2.50 percent.
- The total salary increase assumption was adjusted by the wage inflation change.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The amortization date for the funding of the Unfunded Actuarial Accrued Liability (UAAL) was reset to June 30, 2048 (30 years).
- A mechanism in the law that provided the TRA Board with some authority to set contribution rates were eliminated.

2017

- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The cost-of-living adjustment (COLA) was not assumed to increase to 2.50 percent but remain at 2.0 percent for all future years.
- The price inflation was lowered from 2.75 percent to 2.50 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years followed by 3.25 percent, thereafter.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The Combined Service Annuity (CSA) loads were reduced from 1.40 percent to 0.00 percent for active load, the vested inactive load increase from 4.00 percent to 7.00 percent and the non-vested inactive load increased from 4.00 percent to 9.00 percent.

2016

- The Cost-of-Living Adjustment was not assumed to increase (it remained at 2% for all future years).
- The price inflation assumption was lowered from 3.00% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.50%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 6 years and female rates set back 5 years. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 3 – DEFINED BENEFIT PENSION PLANS**A – Changes in Actuarial Assumptions****Teachers' Retirement Association Fund**2016 (continued)

- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

NOTE 4 – POSTEMPLOYMENT BENEFITS PLAN**A – Employer Contributions to Postemployment Benefits Plan**

Assets have not been accumulated in a trust that meets the criteria in paragraph four of the Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

B – Plan Changes Affecting Actuarial Accrued Liability2024

The following changes in actuarial assumptions occurred in 2024 for the City and Park Board:

- The discount rate has been updated from 3.72% to 3.26%.

The following changes in actuarial assumptions occurred in 2024 for MBC:

- The discount rate was changed from 4.00% to 3.70%.

2023

The following changes in actuarial assumptions occurred in 2023 for the City and Park Board:

- The discount rate has been updated from 2.06% to 3.72%.
- The salary increase rates were updated to reflect the experience of the analogous population for Public Employees' Retirement Association of Minnesota (July 1, 2022, funding valuations).
- The medical cost increase trend rates have been updated based on short and long-term expectations.
- The mortality improvement projection scale has been updated from MP-2020 to MP-2021.
- The Per Capita Claims cost tables for medical coverage have been updated to reflect actual claims information from for 2022.
- Risk scores/Age-Based Factors for Pre-65 Retirees were updated to be based on "Health Care Costs - From Birth to Death" published by the Society of Actuaries (Chart 5, Cost Curve by Age for 2010), based on an average age of 65.

The following changes in actuarial assumptions occurred in 2023 for MBC:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 4 – POSTEMPLOYMENT BENEFITS PLAN**B – Plan Changes Affecting Actuarial Accrued Liability (continued)**2022

The following changes in actuarial assumptions occurred in 2022 for the City and Park Board:

- Discount rate was updated to reflect the Bond Buyer 20-Bond General Obligation Index as of 12/31/2021.

No changes in actuarial assumptions occurred in 2022 for MBC.

2021

The following changes in actuarial assumptions occurred in 2021 for the City and Park Board:

- Salary increase rates were updated to reflect the 2019 Experience Study for PERA.
- Retirement rates were updated to reflect the 2019 Experience Study for PERA.
- Termination rates were updated to reflect the 2019 Experience Study for PERA.
- Mortality rates were updated to reflect the 2019 Experience Study for PERA.
- Disability rates were updated to reflect the 2019 Experience Study for PERA.
- Discount rate was updated to reflect the Bond Buyer 20-Bond General Obligation Index as of 12/31/2020.
- Medical trends increase rates was updated to reflect current and anticipated future economic environment.

The following changes in actuarial assumptions occurred in 2021 for MBC:

- The health care trend rates, mortality tables, salary increase rates, and retirement and withdrawal rates were updated.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.90% to 2.00%.

2020

The following changes in actuarial assumptions occurred in 2020 for the City and Park Board:

- The discount rate was changed from 3.71% to 2.75% based on updated 20-year municipal bond rates.

The following changes in actuarial assumptions occurred in 2020 for MBC:

- The discount rate was changed from 3.80% to 2.90%.

2019

The following changes in actuarial assumptions occurred in 2019 for the City and Park Board:

- The discount rate was changed from 3.30% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- The increases in explicit subsidy amounts were updated to reflect recent experience and future increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings, including an adjustment to reflect age/gender-based risk scores published by the Society of Actuaries.
- Withdrawal and retirement rates were updated from the rates used in the 7/1/2016 PERA Police & Fire Plan valuation to the rates used in the 7/1/2019 valuation.
- Mortality rates were updated from the RP-2014 White Collar and Blue-Collar mortality tables with MP-2016 generational improvement scale to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police & Fire Plan valuations.
- The salary scale assumption was updated from a flat 2.90% to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police & Fire Plan valuations.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 4 – POSTEMPLOYMENT BENEFITS PLAN**B – Plan Changes Affecting Actuarial Accrued Liability**2019 (continued)

- 25% percent of future retirees are assumed to elect family coverage at retirement. The prior valuation assumed 85% of future male retirees and 65% of future female retirees would be married. Of these married retirees, 30% would elect family coverage.
- The percent of active ex-spouses assumed to continue coverage under the original member changed from 20% to 25% based on the change in family coverage assumption.
- The percent of future non-Medicare eligible retirees electing each medical plan was updated to reflect recent experience.

The following changes in actuarial assumptions occurred in 2019 for MBC:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2018 Generational Improvement Scale.
- The discount rate was changed from 3.30% to 3.80%.

The following changes in actuarial assumptions occurred for all entities in 2018:

2018

- The discount rate used changed from 3.50% percent to 3.30% percent.



THIS PAGE IS INTENTIONALLY BLANK



THIS PAGE IS INTENTIONALLY BLANK

Non-Major Special Revenue Funds

Arena Reserve (Target Center) – This fund is used to account for the ownership, capital maintenance, and operations of the City owned Arena (Target Center).

Board of Estimate and Taxation – This fund is used to account for the operations of the Board of Estimate and Taxation which issues and sells bonds, and establishes the maximum levies for the City, its Boards, and Commissions.

Downtown Assets – This fund is used to clearly delineate the uses of local sales, liquor, restaurant, entertainment, and lodging taxes; to provide stable, predictable ongoing support from these taxes to the General Fund; and to support the comprehensive management of the City's four primary downtown revenue-generating capital assets, the Minneapolis Convention Center, the Arena (Target Center), the Downtown Commons, and Peavey Plaza. In addition, payments of the City's portion of U.S. Bank Stadium are being made from the local taxes.

Convention Center – This fund is used to account for the ownership, capital maintenance, operations, and debt service of the City owned Minneapolis Convention Center.

Self-Managed Special Service Districts – This fund accounts for the special assessments that are collected to fund the special service districts.

Employee Retirement – This fund is used to account for the activities of the three closed retirement funds of the City including the Minneapolis Employees Retirement Fund, the Minneapolis Firefighter's Relief Association, and the Minneapolis Police Relief Association.

Grants – Other – This fund is used to account for grants received from the State of Minnesota, Hennepin County, local governmental units, and private sources.

Police – This fund is used to account for the revenues and expenditures related to federal and state administrative forfeitures, lawful gambling, and the automated pawn system.

Neighborhood and Community Relations – This fund is used to account for the tax increment financing funded expenditures of the Neighborhood and Community Relations Department.

Non-Major Debt Service Funds

Community Development Agency – This fund is used to account for the debt service activity of the Community Planning and Economic Development Department. It includes various tax increment revenue notes.

Development – This fund is used primarily to account for debt of projects supported by property tax increments and transfers of sales tax revenues from the Downtown Assets Special Revenue Fund for related debt.

General Debt Service – This fund is used to account for debt service activity related to General Obligation governmental debt supported by property tax levies or transfers to/from other City funds. This fund also is used to record debt service activity for governmental revenue notes including the Section 108 HUD note for the Midtown Exchange.

Internal Service Funds

Engineering Materials and Testing – This fund is used to account for operations of the City’s paving products laboratory.

Intergovernmental Services – This fund is used to account for information technology service, central mailing and printing services, and telecommunication operations. These services are provided to City departments as well as the Park Board, the Municipal Building Commission, and the Minneapolis Youth Coordinating Board.

Property Services – This fund is used to account for the physical management and maintenance of various City buildings, except for the City Hall/County Court House building.

Equipment Services – This fund is used to account for the ownership and operation of various equipment and vehicles. The fund operates as a rental agent to various departments to support the construction and maintenance of city infrastructure, fire protection services, and police services.

Public Works Stores – This fund is used to account for the centralized procurement, warehousing, and distribution of stocked inventory items, as well as the purchase of special goods and services.

Self-Insurance – This fund is used to account for employee benefit programs and administrative costs, occupational health services and severance payments to employees who have retired or resigned, a tort liability program, a workers’ compensation program, and a medical self-insurance program.

Custodial Funds

Minneapolis Youth Coordinating Board – This fund is used to account for cash deposited with the City.

Joint Board – This fund is used to account for cash deposited with the City.

**GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

<u>ASSETS</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental</u>
Cash and cash equivalents	\$ 150,184	\$ 39,496	\$ 189,680
Investments with trustees	-	2,114	2,114
Receivables:			
Accounts - net	904	-	904
Taxes	176	615	791
Special assessments	25	-	25
Intergovernmental	22,336	-	22,336
Leases	18,219	-	18,219
Accrued interest	604	81	685
Due from other funds	3,500	-	3,500
Advances to other funds	3,445	-	3,445
Total assets	<u>\$ 199,393</u>	<u>\$ 42,306</u>	<u>\$ 241,699</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
Liabilities:			
Salaries payable	\$ 677	\$ -	\$ 677
Accounts payable	7,652	76	7,728
Due to other governmental agencies	6	-	6
Deposits held for others	1,033	-	1,033
Advances from other funds	-	3,445	3,445
Unearned revenue	7,756	-	7,756
Total liabilities	<u>17,124</u>	<u>3,521</u>	<u>20,645</u>
Deferred Inflows of Resources:			
Unavailable revenue	94	304	398
Leases	17,391	-	17,391
Total deferred inflows of resources	17,485	304	17,789
Fund balances:			
Restricted	10,495	38,481	48,976
Assigned	154,289	-	154,289
Total fund balances	<u>164,784</u>	<u>38,481</u>	<u>203,265</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 199,393</u>	<u>\$ 42,306</u>	<u>\$ 241,699</u>

GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental</u>
REVENUES:			
Taxes	\$ 100,801	\$ 51,728	\$ 152,529
Licenses and permits	59	-	59
Intergovernmental revenues	29,956	45	30,001
Charges for services and sales	10,532	-	10,532
Fines and forfeits	244	-	244
Special assessments	8,503	-	8,503
Investment earnings	4,622	1,742	6,364
Miscellaneous revenues	21,314	4,853	26,167
Total revenues	<u>176,031</u>	<u>58,368</u>	<u>234,399</u>
EXPENDITURES:			
Current:			
General government	16,937	-	16,937
Public safety	11,254	-	11,254
Public works	8,662	-	8,662
Health and welfare	12,814	-	12,814
Community planning and economic development	75,321	-	75,321
Debt Service:			
Principal retirement	-	56,295	56,295
Interest and fiscal charges	-	16,821	16,821
Total expenditures	<u>124,988</u>	<u>73,116</u>	<u>198,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,043</u>	<u>(14,748)</u>	<u>36,295</u>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	41,074	21,840	62,914
Transfers to other funds	<u>(82,016)</u>	<u>(1,315)</u>	<u>(83,331)</u>
Total other financing sources (uses)	<u>(40,942)</u>	<u>20,525</u>	<u>(20,417)</u>
Net change in fund balances	10,101	5,777	15,878
Fund balances - January 1	<u>154,683</u>	<u>32,704</u>	<u>187,387</u>
Fund balances - December 31	<u>\$ 164,784</u>	<u>\$ 38,481</u>	<u>\$ 203,265</u>

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>Arena Reserve</u>	<u>Board of Estimate and Taxation</u>	<u>Downtown Assets</u>	<u>Convention Center</u>	<u>Self-Managed Special Service Districts</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 6,805	\$ 367	\$ 82,991	\$ 13,008	\$ 796
Receivables:					
Accounts - net	-	-	-	526	-
Taxes	-	1	-	-	-
Special assessments	-	-	-	-	25
Intergovernmental	-	-	13,898	-	-
Leases	18,219	-	-	-	-
Accrued interest	47	-	350	54	3
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 25,071</u>	<u>\$ 368</u>	<u>\$ 97,239</u>	<u>\$ 13,588</u>	<u>\$ 824</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
Liabilities:					
Salaries payable	\$ 5	\$ 6	\$ -	\$ 414	\$ -
Accounts payable	630	-	-	4,712	-
Due to other governmental agencies	-	-	-	6	-
Deposits held for others	-	-	-	1,033	-
Unearned revenue	-	-	-	-	382
Total liabilities	<u>635</u>	<u>6</u>	<u>-</u>	<u>6,165</u>	<u>382</u>
Deferred inflows of resources:					
Deferred inflows - leases	17,391	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>17,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	-	-	-	-	-
Assigned	7,045	362	97,239	7,423	442
Total fund balances	<u>7,045</u>	<u>362</u>	<u>97,239</u>	<u>7,423</u>	<u>442</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,071</u>	<u>\$ 368</u>	<u>\$ 97,239</u>	<u>\$ 13,588</u>	<u>\$ 824</u>

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS**

CITY OF MINNEAPOLIS, MINNESOTA

For the Fiscal Year Ended December 31, 2024

(In Thousands)

	Arena Reserve	Board of Estimate and Taxation	Downtown Assets	Convention Center	Self-Managed Special Service Districts
REVENUES:					
Taxes	\$ -	\$ 98	\$ 87,328	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services and sales	6	-	-	9,042	-
Fines and forfeits	-	-	-	-	-
Special assessments	-	-	-	-	8,448
Investment earnings	475	-	2,000	891	(47)
Miscellaneous revenues	1,730	-	-	12,538	-
Total revenues	<u>2,211</u>	<u>98</u>	<u>89,328</u>	<u>22,471</u>	<u>8,401</u>
EXPENDITURES:					
Current:					
General government	-	45	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	8,397
Health and welfare	-	-	-	-	-
Community planning and economic development	5,788	-	428	57,115	-
Total expenditures	<u>5,788</u>	<u>45</u>	<u>428</u>	<u>57,115</u>	<u>8,397</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,577)</u>	<u>53</u>	<u>88,900</u>	<u>(34,644)</u>	<u>4</u>
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	4,602	-	480	35,988	-
Transfers to other funds	-	-	(70,462)	(11,554)	-
Total other financing sources (uses)	<u>4,602</u>	<u>-</u>	<u>(69,982)</u>	<u>24,434</u>	<u>-</u>
Net change in fund balances	1,025	53	18,918	(10,210)	4
Fund balances - January 1	<u>6,020</u>	<u>309</u>	<u>78,321</u>	<u>17,633</u>	<u>438</u>
Fund balances - December 31	<u>\$ 7,045</u>	<u>\$ 362</u>	<u>\$ 97,239</u>	<u>\$ 7,423</u>	<u>\$ 442</u>

SPECIAL REVENUE FUNDS CITY OF MINNEAPOLIS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURE (Continued)
AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
For the Fiscal Year Ended December 31, 2024 (In Thousands)

<u>Employee Retirement</u>	<u>Grants-Other</u>	<u>Police</u>	<u>Neighborhood and Community Relations</u>	<u>Total</u>
\$ 13,187	\$ 42	\$ 146	\$ -	\$ 100,801
-	59	-	-	59
6,554	23,288	114	-	29,956
-	928	556	-	10,532
-	-	244	-	244
-	55	-	-	8,503
1,121	182	-	-	4,622
3,470	3,576	-	-	21,314
<u>24,332</u>	<u>28,130</u>	<u>1,060</u>	<u>-</u>	<u>176,031</u>
16,515	377	-	-	16,937
7,679	2,104	1,471	-	11,254
-	265	-	-	8,662
-	12,814	-	-	12,814
-	11,975	-	15	75,321
<u>24,194</u>	<u>27,535</u>	<u>1,471</u>	<u>15</u>	<u>124,988</u>
138	595	(411)	(15)	51,043
-	4	-	-	41,074
-	-	-	-	(82,016)
-	4	-	-	(40,942)
138	599	(411)	(15)	10,101
<u>40,544</u>	<u>7,132</u>	<u>3,904</u>	<u>382</u>	<u>154,683</u>
<u>\$ 40,682</u>	<u>\$ 7,731</u>	<u>\$ 3,493</u>	<u>\$ 367</u>	<u>\$ 164,784</u>

**ARENA RESERVE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services and sales	\$ -	\$ -	\$ 6	\$ 6
Investment earnings	200	200	475	275
Miscellaneous revenues	1,646	1,646	1,730	84
Total revenues	<u>1,846</u>	<u>1,846</u>	<u>2,211</u>	<u>365</u>
EXPENDITURES:				
Current:				
Community planning and economic development	<u>7,257</u>	<u>11,072</u>	<u>5,788</u>	<u>5,284</u>
Excess (deficiency) of revenues over (under) expenditures	(5,411)	(9,226)	(3,577)	5,649
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	<u>4,602</u>	<u>4,602</u>	<u>4,602</u>	<u>-</u>
Net change in fund balances	(809)	(4,624)	1,025	5,649
Fund balances - January 1	<u>6,020</u>	<u>6,020</u>	<u>6,020</u>	<u>-</u>
Fund balances - December 31	<u>\$ 5,211</u>	<u>\$ 1,396</u>	<u>\$ 7,045</u>	<u>\$ 5,649</u>

**BOARD OF ESTIMATE AND TAXATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amount		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 101	\$ 101	\$ 98	\$ (3)
EXPENDITURES:				
Current:				
General government	151	151	45	106
Net change in fund balances	(50)	(50)	53	103
Fund balances - January 1	309	309	309	-
Fund balances - December 31	<u>\$ 259</u>	<u>\$ 259</u>	<u>\$ 362</u>	<u>\$ 103</u>

**DOWNTOWN ASSETS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amount		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 80,750	\$ 80,750	\$ 87,328	\$ 6,578
Investment earnings	833	833	2,000	1,167
Total revenues	<u>81,583</u>	<u>81,583</u>	<u>89,328</u>	<u>7,745</u>
EXPENDITURES:				
Current:				
Community planning and economic development	<u>480</u>	<u>480</u>	<u>428</u>	<u>52</u>
Excess (deficiency) of revenues over (under) expenditures	<u>81,103</u>	<u>81,103</u>	<u>88,900</u>	<u>7,797</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	480	480	480	-
Transfers to other funds	<u>(68,230)</u>	<u>(70,462)</u>	<u>(70,462)</u>	<u>-</u>
Total other financing sources (uses)	<u>(67,750)</u>	<u>(69,982)</u>	<u>(69,982)</u>	<u>-</u>
Net change in fund balances	13,353	11,121	18,918	7,797
Fund balances - January 1	<u>78,321</u>	<u>78,321</u>	<u>78,321</u>	<u>-</u>
Fund balances - December 31	<u>\$ 91,674</u>	<u>\$ 89,442</u>	<u>\$ 97,239</u>	<u>\$ 7,797</u>

**CONVENTION CENTER
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services and sales	\$ 6,732	\$ 6,732	\$ 9,042	\$ 2,310
Investment earnings	548	548	891	343
Miscellaneous revenues	<u>11,968</u>	<u>11,968</u>	<u>12,538</u>	<u>570</u>
Total revenues	<u>19,248</u>	<u>19,248</u>	<u>22,471</u>	<u>3,223</u>
EXPENDITURES:				
Current:				
Community planning and economic development	<u>53,757</u>	<u>55,642</u>	<u>57,115</u>	<u>(1,473)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,509)</u>	<u>(36,394)</u>	<u>(34,644)</u>	<u>1,750</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	35,988	35,988	35,988	-
Transfers to other funds	<u>(6,578)</u>	<u>(11,554)</u>	<u>(11,554)</u>	-
Total other financing sources (uses)	<u>29,410</u>	<u>24,434</u>	<u>24,434</u>	-
Net change in fund balances	(5,099)	(11,960)	(10,210)	1,750
Fund balances - January 1	<u>17,633</u>	<u>17,633</u>	<u>17,633</u>	-
Fund balances - December 31	<u>\$ 12,534</u>	<u>\$ 5,673</u>	<u>\$ 7,423</u>	<u>\$ 1,750</u>

**SELF-MANAGED SPECIAL SERVICE DISTRICTS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Special assessments	\$ 8,440	\$ 8,440	\$ 8,448	\$ 8
Investment earnings	(22)	(22)	(47)	(25)
Total revenues	<u>8,418</u>	<u>8,418</u>	<u>8,401</u>	<u>(17)</u>
EXPENDITURES:				
Current:				
Public Works	<u>8,440</u>	<u>8,440</u>	<u>8,397</u>	<u>43</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22)</u>	<u>(22)</u>	<u>4</u>	<u>26</u>
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	(22)	(22)	4	26
Fund balances - January 1	<u>438</u>	<u>438</u>	<u>438</u>	<u>-</u>
Fund balances - December 31	<u>\$ 416</u>	<u>\$ 416</u>	<u>\$ 442</u>	<u>\$ 26</u>

**EMPLOYEE RETIREMENT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 13,575	\$ 13,575	\$ 13,187	\$ (388)
Intergovernmental revenues	5,662	5,662	6,554	892
Investment earnings	483	483	1,121	638
Miscellaneous revenues	3,254	3,254	3,470	216
Total revenues	<u>22,974</u>	<u>22,974</u>	<u>24,332</u>	<u>1,358</u>
EXPENDITURES:				
Current:				
General government	16,515	16,515	16,515	-
Public safety	7,679	7,679	7,679	-
Total expenditures	<u>24,194</u>	<u>24,194</u>	<u>24,194</u>	<u>-</u>
Net change in fund balances	(1,220)	(1,220)	138	1,358
Fund balances - January 1	<u>40,544</u>	<u>40,544</u>	<u>40,544</u>	<u>-</u>
Fund balances - December 31	<u>\$ 39,324</u>	<u>\$ 39,324</u>	<u>\$ 40,682</u>	<u>\$ 1,358</u>

**GRANTS - OTHER
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 70	\$ 130	\$ 42	\$ (88)
Licenses and permits	-	235	59	(176)
Intergovernmental revenues	8,846	51,175	23,288	(27,887)
Charges for services and sales	950	978	928	(50)
Special assessments	-	1,787	55	(1,732)
Investment earnings	1	1	182	181
Miscellaneous revenues	4,349	5,893	3,576	(2,317)
Total revenues	<u>14,216</u>	<u>60,199</u>	<u>28,130</u>	<u>(32,069)</u>
EXPENDITURES:				
Current:				
General government	455	1,119	377	742
Public safety	1,968	7,734	2,104	5,630
Public works	20	20	265	(245)
Health and welfare	8,273	16,033	12,814	3,219
Community planning and economic development	3,500	35,596	11,975	23,621
Total expenditures	<u>14,216</u>	<u>60,502</u>	<u>27,535</u>	<u>32,967</u>
Excess (deficiency) of revenues over (under) expenditures	-	(303)	595	898
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	4	4	-
Net change in fund balances	-	(299)	599	898
Fund balances - January 1	<u>7,132</u>	<u>7,132</u>	<u>7,132</u>	<u>-</u>
Fund balances - December 31	<u>\$ 7,132</u>	<u>\$ 6,833</u>	<u>\$ 7,731</u>	<u>\$ 898</u>

POLICE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES:				
Taxes	\$ 245	\$ 245	\$ 146	\$ (99)
Intergovernmental revenues	-	-	114	114
Charges for services and sales	1,016	1,016	556	(460)
Fines and forfeits	400	400	244	(156)
Total revenues	<u>1,661</u>	<u>1,661</u>	<u>1,060</u>	<u>(601)</u>
EXPENDITURES:				
Current:				
Public safety	<u>1,661</u>	<u>1,661</u>	<u>1,471</u>	<u>190</u>
Net change in fund balances	-	-	(411)	(411)
Fund balances - January 1	<u>3,904</u>	<u>3,904</u>	<u>3,904</u>	-
Fund balances - December 31	<u>\$ 3,904</u>	<u>\$ 3,904</u>	<u>\$ 3,493</u>	<u>\$ (411)</u>

**NEIGHBORHOOD AND COMMUNITY RELATIONS
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
Community planning and economic development	<u>-</u>	<u>200</u>	<u>15</u>	<u>185</u>
Net change in fund balances	-	(200)	(15)	185
Fund balances - January 1	<u>382</u>	<u>382</u>	<u>382</u>	<u>-</u>
Fund balances - December 31	<u>\$ 382</u>	<u>\$ 182</u>	<u>\$ 367</u>	<u>\$ 185</u>

DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 NON-MAJOR FUNDS
 December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>Community Development Agency</u>	<u>Development</u>	<u>General Debt Service</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 98	\$ 20,520	\$ 18,878	\$ 39,496
Investments with trustees	2,114	-	-	2,114
Receivables:				
Taxes	-	-	615	615
Accrued interest	-	3	78	81
Total assets	<u>\$ 2,212</u>	<u>\$ 20,523</u>	<u>\$ 19,571</u>	<u>\$ 42,306</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 76	\$ 76
Advances from other funds	-	3,445	-	3,445
Total liabilities	-	3,445	76	3,521
Deferred Inflows of Resources:				
Unavailable revenue	-	-	304	304
Fund balances:				
Restricted	2,212	17,078	19,191	38,481
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,212</u>	<u>\$ 20,523</u>	<u>\$ 19,571</u>	<u>\$ 42,306</u>

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Community Development Agency	Development	General Debt Service	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ 51,728	\$ 51,728
Intergovernmental revenues	-	-	45	45
Investment earnings	159	624	959	1,742
Miscellaneous revenues	-	3,713	1,140	4,853
Total revenues	<u>159</u>	<u>4,337</u>	<u>53,872</u>	<u>58,368</u>
EXPENDITURES:				
Debt Service:				
Principal retirement	5,470	4,965	45,860	56,295
Interest and fiscal charges	368	4,723	11,730	16,821
Total expenditures	<u>5,838</u>	<u>9,688</u>	<u>57,590</u>	<u>73,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,679)</u>	<u>(5,351)</u>	<u>(3,718)</u>	<u>(14,748)</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	5,661	13,097	3,082	21,840
Transfers to other funds	(1,315)	-	-	(1,315)
Total other financing sources (uses)	<u>4,346</u>	<u>13,097</u>	<u>3,082</u>	<u>20,525</u>
Net change in fund balances	(1,333)	7,746	(636)	5,777
Fund balances - January 1	<u>3,545</u>	<u>9,332</u>	<u>19,827</u>	<u>32,704</u>
Fund balances - December 31	<u>\$ 2,212</u>	<u>\$ 17,078</u>	<u>\$ 19,191</u>	<u>\$ 38,481</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Engineering Materials and Testing	Inter- governmental Services	Property Services	Equipment Services	Public Works Stores	Self- Insurance	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,734	\$ 12,845	\$ 2,977	\$ 8,231	\$ 4,073	\$ 174,933	\$ 204,793
Receivables:							
Accounts - net	22	185	114	-	-	1	322
Inventories	-	-	14	1,348	7,475	-	8,837
Prepaid items	-	6,921	-	-	-	-	6,921
Total current assets	<u>1,756</u>	<u>19,951</u>	<u>3,105</u>	<u>9,579</u>	<u>11,548</u>	<u>174,934</u>	<u>220,873</u>
Long-term assets:							
Capital assets:							
Nondepreciable/amortizable:							
Land and easements	-	-	20,821	2,186	-	-	23,007
Construction in progress	-	7,796	13,016	480	-	-	21,292
Depreciable/amortizable:							
Leased buildings	-	-	4,077	-	-	-	4,077
Less accumulated amortization	-	-	(1,634)	-	-	-	(1,634)
Leased Equipment	-	1,992	-	-	-	-	1,992
Less accumulated amortization	-	(1,434)	-	-	-	-	(1,434)
Software Subscriptions	-	29,436	-	-	-	-	29,436
Less accumulated amortization	-	(8,856)	-	-	-	-	(8,856)
Buildings and structures	-	-	25,499	30,061	-	-	55,560
Less accumulated depreciation	-	-	(23,058)	(15,094)	-	-	(38,152)
Public improvements	-	-	19,789	1,704	-	-	21,493
Less accumulated depreciation	-	-	(8,309)	(944)	-	-	(9,253)
Equipment and other capital outlay	323	33,772	13,459	143,327	30	-	190,911
Less accumulated depreciation	(131)	(33,377)	(13,376)	(80,595)	(18)	-	(127,497)
Software	-	69,731	8	97	-	-	69,836
Less accumulated depreciation	-	(63,490)	(8)	(97)	-	-	(63,595)
Total long - term assets	<u>192</u>	<u>35,570</u>	<u>50,284</u>	<u>81,125</u>	<u>12</u>	<u>-</u>	<u>167,183</u>
Total assets	<u>\$ 1,948</u>	<u>\$ 55,521</u>	<u>\$ 53,389</u>	<u>\$ 90,704</u>	<u>\$ 11,560</u>	<u>\$ 174,934</u>	<u>\$ 388,056</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Engineering Materials and Testing	Inter- governmental Services	Property Services	Equipment Services	Public Works Stores	Self- Insurance	Total
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows - other postemployment benefits	\$ 225	\$ 1,844	\$ 1,496	\$ 1,347	\$ 216	\$ 128	\$ 5,256
Deferred outflows - pensions	109	1,098	718	623	115	72	2,735
Total deferred outflows of resources	<u>\$ 334</u>	<u>\$ 2,942</u>	<u>\$ 2,214</u>	<u>\$ 1,970</u>	<u>\$ 331</u>	<u>\$ 200</u>	<u>\$ 7,991</u>
LIABILITIES							
Current liabilities:							
Salaries payable	\$ 50	\$ 521	\$ 394	\$ 305	\$ 48	\$ 45	\$ 1,363
Accounts payable	162	5,679	612	2,601	511	1,498	11,063
Intergovernmental payable	-	-	3	27	-	-	30
Interest payable	-	518	6	-	-	-	524
Unearned revenue	-	1,149	-	-	-	-	1,149
Compensated absences payable - current portion	117	1,174	911	640	116	2,131	5,089
Other postemployment benefits - current portion	23	191	155	139	22	13	543
Lease liability - current portion	-	481	617	-	-	-	1,098
Software Subscriptions - current portion	-	4,973	-	-	-	-	4,973
Medical claims payable - current portion	-	-	-	-	-	9,255	9,255
Unpaid claims payable - current portion	-	-	-	-	-	47,285	47,285
Total current liabilities	<u>352</u>	<u>14,686</u>	<u>2,698</u>	<u>3,712</u>	<u>697</u>	<u>60,227</u>	<u>82,372</u>
Long-term liabilities:							
Compensated absences payable	23	228	178	124	22	17,299	17,874
Lease liability	-	80	1,912	-	-	-	1,992
Software Subscriptions liability	-	12,639	-	-	-	-	12,639
Other postemployment benefits	370	3,035	2,462	2,216	356	211	8,650
Net pension liability	730	7,367	4,817	4,180	773	486	18,353
Unpaid claims payable	-	-	-	-	-	180,670	180,670
Total long-term liabilities	<u>1,123</u>	<u>23,349</u>	<u>9,369</u>	<u>6,520</u>	<u>1,151</u>	<u>198,666</u>	<u>240,178</u>
Total liabilities	<u>\$ 1,475</u>	<u>\$ 38,035</u>	<u>\$ 12,067</u>	<u>\$ 10,232</u>	<u>\$ 1,848</u>	<u>\$ 258,893</u>	<u>\$ 322,550</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows - other postemployment benefits	\$ 18	\$ 145	\$ 118	\$ 106	\$ 17	\$ 10	\$ 414
Deferred inflows - pensions	317	3,205	2,095	1,818	336	211	7,982
Total deferred inflows of resources	<u>\$ 335</u>	<u>\$ 3,350</u>	<u>\$ 2,213</u>	<u>\$ 1,924</u>	<u>\$ 353</u>	<u>\$ 221</u>	<u>\$ 8,396</u>
NET POSITION							
Net investment in capital assets	\$ 192	\$ 17,285	\$ 47,675	\$ 81,127	\$ -	\$ -	\$ 146,279
Unrestricted	280	(207)	(6,352)	(609)	9,690	(83,980)	(81,178)
Total net position	<u>\$ 472</u>	<u>\$ 17,078</u>	<u>\$ 41,323</u>	<u>\$ 80,518</u>	<u>\$ 9,690</u>	<u>\$ (83,980)</u>	<u>\$ 65,101</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION**

CITY OF MINNEAPOLIS, MINNESOTA

	Engineering Materials and Testing	Inter- governmental Services	Property Services	Equipment Services	Public Works Stores	Self- Insurance	Total
Operating revenues:							
Intergovernmental revenues	\$ -	\$ 284	\$ -	\$ -	\$ -	\$ -	\$ 284
Charges for services and sales	9,143	60,041	4,316	18,713	2,955	130,733	225,901
Rents and commissions	-	-	21,771	20,444	-	2	42,217
Total operating revenues	9,143	60,325	26,087	39,157	2,955	130,735	268,402
Operating expenses:							
Personnel costs	1,449	14,392	12,138	8,867	1,725	10,976	49,547
Contractual services	1,080	25,054	9,474	13,092	337	85,549	134,586
Materials, supplies, services and other	6,773	10,335	2,212	9,825	84	44,232	73,461
Depreciation and amortization	18	9,059	2,045	10,965	3	-	22,090
Total operating expenses	9,320	58,840	25,869	42,749	2,149	140,757	279,684
Operating income (loss)	(177)	1,485	218	(3,592)	806	(10,022)	(11,282)
Nonoperating revenues (expenses):							
Intergovernmental	33	337	220	191	35	22	838
Interest expense	-	(640)	-	-	-	-	(640)
Other revenues	-	-	119	1,079	262	2,240	3,700
Other expenses	-	(3)	-	-	-	-	(3)
Total nonoperating revenues (expenses)	33	(306)	339	1,270	297	2,262	3,895
Income (loss) before transfers	(144)	1,179	557	(2,322)	1,103	(7,760)	(7,387)
Transfers from other funds	-	495	-	-	-	-	495
Change in net position	(144)	1,674	557	(2,322)	1,103	(7,760)	(6,892)
Net position - January 1	616	15,404	40,766	82,840	8,587	(76,220)	71,993
Net position - December 31	\$ 472	\$ 17,078	\$ 41,323	\$ 80,518	\$ 9,690	\$ (83,980)	\$ 65,101

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Engineering Materials and Testing	Inter- governmental Services	Property Services	Equipment Services	Public Works Stores	Self- Insurance	Total
Cash flows from operating activities:							
Cash received from customers	\$ 138	\$ 284	\$ 484	\$ 1,113	\$ 98	\$ 14,404	\$ 16,521
Intergovernmental receipts	-	-	-	38,044	-	-	38,044
Cash received from interfund activities	9,060	59,644	25,559	-	9,274	121,009	224,546
Payments to suppliers	(6,962)	(33,047)	(11,995)	(18,026)	(6,070)	(91,324)	(167,424)
Payments to employees	(1,554)	(15,089)	(11,973)	(8,754)	(1,563)	(12,250)	(51,183)
Payments for interfund activities	(878)	(3,307)	(417)	(4,950)	(613)	(615)	(10,780)
Other nonoperating revenues	-	(3)	119	1,079	262	2,240	3,697
Net cash provided (used) by operating activities	(196)	8,482	1,777	8,506	1,388	33,464	53,421
Cash flows from non-capital financing activities:							
Transfers from other funds	-	495	-	191	-	-	686
Intergovernmental receipts	33	337	220	-	37	23	650
Net cash provided (used) by non-capital financing activities	33	832	220	191	37	23	1,336
Cash Flows from capital and related financing activities:							
Acquisition and construction of capital assets	(48)	(597)	(4,548)	(17,268)	(1)	-	(22,462)
Principal paid on leases	-	(479)	(672)	-	-	-	(1,151)
Principal paid on Software Subscriptions	-	(5,682)	-	-	-	-	(5,682)
Interest paid on software subscriptions	-	(640)	-	-	-	-	(640)
Net cash provided (used) by capital and related financing activities	(48)	(7,398)	(5,220)	(17,268)	(1)	-	(29,935)
Net increase (decrease) in cash and cash equivalents	(211)	1,916	(3,223)	(8,571)	1,424	33,487	24,822
Cash and cash equivalents, beginning of year	1,945	10,929	6,200	16,802	2,649	141,446	179,971
Cash and cash equivalents, end of year	\$ 1,734	\$ 12,845	\$ 2,977	\$ 8,231	\$ 4,073	\$ 174,933	\$ 204,793
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (177)	\$ 1,485	\$ 218	\$ (3,592)	\$ 806	\$ (10,022)	\$ (11,282)
Adjustment to reconcile change in net position to net cash provided (used) by operating activities							
Depreciation and amortization	17	9,059	2,045	10,965	3	-	22,089
Accounts receivable	55	(67)	(45)	-	-	4,678	4,621
Inventories	-	-	-	1	(96)	-	(95)
Prepaid items	-	(2,347)	-	(28)	-	-	(2,375)
Deferred outflows - other postemployment benefits	38	296	99	176	24	51	684
Deferred outflows - pensions	115	1,090	626	546	74	80	2,531
Salaries payable	10	106	39	112	19	(37)	249
Accounts payable	15	1,090	(728)	(31)	249	484	1,079
Interest Payable	-	293	3	-	-	-	296
Unearned revenue	-	(330)	-	-	-	-	(330)
Compensated absences payable	47	506	414	301	67	1,380	2,715
Other postemployment benefits	3	54	254	100	23	(41)	393
Net pension liability	(363)	(3,298)	(1,734)	(1,518)	(150)	(258)	(7,321)
Unpaid claims payable	-	-	-	-	-	35,926	35,926
Medical claims payable	-	-	-	-	-	(1,040)	(1,040)
Deferred inflows - other postemployment benefits	(5)	(38)	(19)	(24)	(3)	(5)	(94)
Deferred inflows - pensions	49	586	487	419	110	28	1,679
Other nonoperating revenues	-	(3)	118	1,079	262	2,240	3,696
Net cash provided (used) by operating activities	\$ (196)	\$ 8,482	\$ 1,777	\$ 8,506	\$ 1,388	\$ 33,464	\$ 53,421
Non-cash investing, capital and financing activities:							
Leases issued	\$ -	\$ -	\$ 637	\$ -	\$ -	\$ -	\$ 637
Software subscriptions issued	-	10,641	-	-	-	-	10,641

CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Minneapolis Youth Coordinating Board	Joint Board	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,169	\$ 259	\$ 2,428
Receivables:			
Intergovernmental	9	-	9
Accrued interest	9	1	10
Prepaid items	2	-	2
Total assets	<u>\$ 2,189</u>	<u>\$ 260</u>	<u>\$ 2,449</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 4	\$ 18	\$ 22
Intergovernmental payable	182	-	182
Unearned revenue	1,141	-	1,141
Total liabilities	<u>\$ 1,327</u>	<u>\$ 18</u>	<u>\$ 1,345</u>
<u>NET POSITION</u>			
Restricted for:			
Other governments	<u>\$ 862</u>	<u>\$ 242</u>	<u>\$ 1,104</u>

CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended December 31, 2024

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	Minneapolis Youth Coordinating Board	Joint Board	Total
<u>ADDITIONS</u>			
Intergovernmental revenues	\$ 1,720	\$ -	\$ 1,720
Development fees	-	48	48
Investment earnings	67	7	74
Miscellaneous revenues	-	12	12
	<u>1,787</u>	<u>67</u>	<u>1,854</u>
<u>DEDUCTIONS</u>			
General government	1,900	-	1,900
Legal services	-	45	45
	<u>1,900</u>	<u>45</u>	<u>1,945</u>
Net increase (decrease) in fiduciary net position	(113)	22	(91)
Net Position - January 1	<u>975</u>	<u>220</u>	<u>1,195</u>
Net Position - December 31	<u>\$ 862</u>	<u>\$ 242</u>	<u>\$ 1,104</u>

SCHEDULE OF GOVERNMENTAL ACTIVITY BONDS AND NOTES

CITY OF MINNEAPOLIS, MINNESOTA

December 31, 2024

(In Thousands)

Issues Outstanding	Interest Rates	Issue Date	Final Maturity Date	Issued	Retired	Outstanding	Principal Due in 2025	Interest Due in 2025
<u>Property Tax Supported General Obligation Bonds</u>								
General Infrastructure Bonds								
Bridges	3.00%	10/02/20	12/01/25	4,480	3,575	905	905	27
	4.00%	10/27/21	12/01/25	2,857	2,477	380	380	15
	5.00%	10/01/24	12/01/25	1,084	1,084	-	-	-
Park Improvements	3.00% to 5.00%	05/15/18	12/01/26	3,650	2,750	900	450	27
	2.00% to 3.00%	10/02/20	12/01/27	7,934	5,980	1,954	1,284	52
	4.00%	10/27/21	12/01/26	6,315	3,158	3,158	2,526	126
	5.00%	08/17/22	12/01/26	13,647	12,647	1,000	500	50
	5.00%	10/01/24	12/01/32	12,353	5,000	7,353	919	368
Public Buildings	3.00% to 4.00%	10/27/21	12/01/33	16,070	3,573	12,497	1,386	476
	5.00%	08/17/22	12/01/26	8,864	7,864	1,000	500	50
	3.00% to 5.00%	10/01/24	12/01/43	39,971	1,001	38,970	932	1,719
Municipal Buildings	5.00%	08/17/22	12/01/26	7,324	6,524	800	400	40
	5.00%	10/01/24	12/01/24	6,933	6,933	-	-	-
Street Improvements	3.00% to 5.00%	05/15/18	12/01/26	17,050	13,950	3,100	1,550	93
	3.00% to 5.00%	05/21/19	12/01/26	35,321	32,381	2,940	735	74
	2.00% to 3.00%	10/02/20	12/01/29	17,291	14,835	2,456	646	56
	2.13% to 4.00%	10/27/21	12/01/40	21,127	3,336	17,790	1,113	571
	3.50% to 5.00%	08/17/22	12/01/41	30,345	4,750	25,595	275	1,119
	4.00% to 5.50%	09/12/23	12/01/42	34,791	5,671	29,120	1,585	1,496
	5.00%	10/01/24	12/01/32	19,169	11,082	8,087	1,009	404
	Public Safety Radios	4.00%	10/27/21	12/01/24	1,980	1,980	-	-
Sub-total General Infrastructure Bonds				308,556	150,551	158,005	17,095	6,763
Public Service Center Bonds	4.00% to 5.00%	10/31/18	12/01/46	68,215	3,395	64,820	1,825	2,672
	2.00% to 3.00%	11/20/19	12/01/46	114,400	11,305	103,095	3,430	3,002
Sub-total Public Service Center Bonds				182,615	14,700	167,915	5,255	5,674
Total Property Tax Supported General Obligation Bonds				491,171	165,251	325,920	22,350	12,437

SCHEDULE OF GOVERNMENTAL ACTIVITY BONDS AND NOTES

CITY OF MINNEAPOLIS, MINNESOTA

December 31, 2024

(In Thousands)

Issues Outstanding	Interest Rates	Issue Date	Final Maturity Date	Issued	Retired	Outstanding	Principal Due in 2025	Interest Due in 2025
<u>Self-Supporting General Obligation Bonds</u>								
Convention Center	0.60%	10/02/20	12/01/25	26,000	-	26,000	26,000	156
Parade Ice & Other Facility Energy Improvements	2.00% to 3.80%	12/03/13	12/01/26	7,000	4,925	2,075	1,025	77
Parade Ice & Other Facility Energy Improvements	2.00%	10/02/20	12/01/30	2,675	-	2,675	-	54
Downtown East	.95% to 4.63%	03/04/14	03/01/44	61,905	5,930	55,975	1,290	2,484
Target Center (Sales Tax) Refunding	3.25% to 4.25%	05/17/17	12/01/35	39,915	12,530	27,385	2,105	922
Target Center (Sales Tax) Refunding	3.40% to 5.00%	05/15/18	12/01/30	31,560	9,415	22,145	1,840	813
Total Self-Supporting General Obligation Bonds				169,055	32,800	136,255	32,260	4,506
<u>Special Assessment General Obligation Bonds and Notes</u>								
Improvements	2.00% to 3.50%	12/02/14	12/01/34	5,930	5,630	300	30	10
	2.00%	10/20/16	12/01/26	4,440	3,140	1,300	420	26
	2.00%	10/20/16	12/01/26	7,185	6,485	700	80	14
	3.00% to 4.00%	05/17/17	12/01/27	8,820	6,570	2,250	350	68
	5.00%	05/15/18	12/01/27	8,545	5,045	3,500	500	105
	4.00%	05/21/19	12/01/33	12,245	8,775	3,470	240	95
	2.00% to 3.00%	10/02/20	12/01/30	2,295	915	1,380	230	30
	2.00% to 3.00%	10/02/20	12/01/29	12,860	6,320	6,540	385	135
	2.13% to 4.00%	10/27/21	12/01/40	7,005	3,125	3,880	950	123
	3.50% to 5.00%	08/17/22	12/01/41	7,565	3,860	3,705	1,275	178
	4.00% to 5.50%	09/07/23	12/01/42	11,665	2,600	9,065	1,300	476
	3.00% to 5.00%	10/01/24	12/01/43	7,690	385	7,305	385	335
Housing Improvement Area Bonds	3.00% to 4.30%	12/03/13	12/01/32	1,260	580	680	65	28
Housing Improvement Area Bonds-Wellington	3.40% to 5.00%	05/15/18	12/01/30	1,210	330	880	55	32
Housing Improvement Area Bonds-Blaisdell	3.00% to 3.30%	05/21/19	12/01/37	4,055	1,015	3,040	175	95
Housing Improvement Area Bonds-Summit	1.00% to 2.60%	10/27/21	12/01/40	15,860	2,055	13,805	705	284
Nicollet Mall Improvement	3.00% to 4.00%	05/17/17	12/01/27	16,095	6,440	9,655	805	290

SCHEDULE OF GOVERNMENTAL ACTIVITY BONDS AND NOTES

CITY OF MINNEAPOLIS, MINNESOTA

December 31, 2024

(In Thousands)

Issues Outstanding	Interest Rates	Issue Date	Final Maturity Date	Issued	Retired	Outstanding	Principal Due in 2025	Interest Due in 2025
Park Diseased Trees	3.00%	10/02/20	12/01/24	285	285	-	-	-
	4.00%	10/27/21	12/01/25	270	220	50	50	2
	5.00%	08/17/22	12/01/26	800	480	320	160	16
	5.50%	09/07/23	12/01/27	770	310	460	155	25
	5.00%	10/01/24	12/01/32	860	175	685	175	34
Total Special Assessment General Obligation Bonds and Notes				137,710	64,740	72,970	8,490	2,401
<u>Tax Increment Revenue Bonds</u>								
2015 Vil at St. Anth Fls-Tax Exempt Refunding	1.60% to 4.00%	09/24/15	03/01/27	8,245	5,525	2,720	770	93
2015 Ivy Tower Refunding	1.25% to 5.00%	09/24/15	03/01/29	6,085	3,235	2,850	480	128
2015 Grant Park TI Revenue Refunding	1.55% to 4.00%	03/12/15	03/01/30	7,460	7,460	-	-	-
2015 East River Unocal Site Refunding	1.25% to 4.00%	09/24/15	03/01/25	920	770	150	150	3
Total Tax Increment Revenue Bonds				22,710	16,990	5,720	1,400	224
<u>Tax Increment Revenue Notes</u>								
Tax Increment- Section 108 - Midtown Exchange	Variable - Note	12/01/04	08/01/24	6,500	6,500	-	-	-
Total Revenue Notes				6,500	6,500	-	-	-
Total Governmental Activity Bonds and Notes				827,146	286,281	540,865	64,500	19,568

SCHEDULE OF BUSINESS-TYPE ACTIVITY BONDS AND NOTES

CITY OF MINNEAPOLIS, MINNESOTA

December 31, 2024

(In Thousands)

Issues Outstanding	Interest Rates	Issue Date	Final Maturity Date	Issued	Retired	Outstanding	Principal Due in 2025	Interest Due in 2025
<u>Sanitary Sewer Fund General Obligation Bonds</u>								
	2.00% to 4.00%	05/21/19	12/01/28	15,730	8,110	7,620	1,905	191
	2.00% to 3.00%	10/02/20	12/01/29	14,865	4,865	10,000	1,860	219
	3.00% to 4.00%	10/27/21	12/01/31	14,730	4,425	10,305	1,475	383
	3.50% to 5.00%	08/17/22	12/01/41	10,840	1,150	9,690	570	430
	4.00% to 5.00%	09/12/23	12/01/42	8,220	435	7,785	435	400
	3.00% to 5.00%	10/23/24	12/01/43	11,470	-	11,470	605	526
Total Sanitary Sewer Fund General Obligation Bonds				75,855	18,985	56,870	6,850	2,149
<u>Stormwater Fund General Obligation Bonds</u>								
	4.00%	10/27/21	12/01/26	9,420	5,655	3,765	1,885	151
	3.50% to 5.00%	08/17/22	12/01/41	24,020	2,530	21,490	1,265	953
	4.00% to 5.00%	09/12/23	12/01/42	11,110	585	10,525	585	541
	3.00% to 5.00%	10/23/24	12/01/43	8,070	-	8,070	425	370
Total Stormwater Fund General Obligation Bonds				52,620	8,770	43,850	4,160	2,015
<u>Water Treatment and Distribution Services Fund General Obligation Bonds and Notes</u>								
	2.00%	10/20/16	12/01/24	11,500	11,500	-	-	-
	2.00% to 4.00%	05/21/19	12/01/33	21,545	5,065	16,480	2,645	423
	2.00% to 3.00%	10/02/20	12/01/29	18,565	3,285	15,280	3,070	336
	2.125% to 4.00%	10/27/21	12/01/36	15,960	3,195	12,765	1,065	427
	3.50% to 5.00%	08/17/22	12/01/41	16,580	1,750	14,830	875	658
	4.00% to 5.00%	09/12/23	12/01/42	22,490	1,185	21,305	1,185	1,095
	3.00% to 5.00%	10/23/24	12/01/43	11,580	-	11,580	610	530
<u>Drinking Water Program - Notes Payable</u>								
	2.60%	12/07/06	08/20/26	13,500	12,500	1,000	500	26
	2.69%	12/10/09	08/20/27	19,558	4,758	14,800	2,900	398
	1.01%	05/18/18	08/20/32	28,900	10,030	18,870	3,600	190
	1.47%	11/21/18	08/20/35	27,300	8,620	18,680	1,610	275
Total Water Treatment and Distribution Services Fund General Obligation Bonds and Notes				207,478	61,888	145,590	18,060	4,358

SCHEDULE OF BUSINESS-TYPE ACTIVITY BONDS AND NOTES

CITY OF MINNEAPOLIS, MINNESOTA

December 31, 2024

(In Thousands)

Issues Outstanding	Interest Rates	Issue Date	Final Maturity Date	Issued	Retired	Outstanding	Principal Due in 2025	Interest Due in 2025
<u>Municipal Parking Fund General Obligation Bonds and Notes</u>								
	Variable - Note	01/03/12	12/01/33	27,980	1,935	26,045	2,825	781
	2.00%	10/20/16	12/01/26	17,600	13,800	3,800	1,900	76
	2.00% to 3.00%	10/02/20	12/01/28	3,720	1,250	2,470	360	53
	1.50% to 2.50%	10/02/20	12/01/29	12,975	4,700	8,275	1,295	174
	4.00%	10/27/21	12/01/26	9,000	5,400	3,600	1,800	144
Total Municipal Parking Fund General Obligation Bonds and Notes				71,275	27,085	44,190	8,180	1,228
<u>Solid Waste and Recycling Fund General Obligation Bonds</u>								
	4.00% to 5.00%	10/31/18	12/01/36	13,960	655	13,305	275	565
	2.125% to 4.00%	10/27/21	12/01/36	6,100	1,230	4,870	410	163
Total Solid Waste and Recycling Fund General Obligation Bonds				20,060	1,885	18,175	685	728
Total Business-Type Activity General Obligation Bonds and Notes				427,288	118,613	308,675	37,935	10,478

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 ALL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF MINNEAPOLIS
 (in thousands)

Federal Grantor Pass Through Agency Program or Cluster Title	Federal ALN	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Direct				
Inflation Reduction Act Urban & Community Forestry Program	10.727		\$ 87	\$ -
U.S. Department of Housing and Urban Development				
Direct				
CDBG - Entitlement/Special Purpose Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		\$ 14,128	\$ 850
COVID-19 Community Development Block Grants/Entitlement Grants	14.218		91	9
Total ALN 14.218			14,219	859
Total CDBG - Entitlement Grants Cluster (\$14,219)				
Emergency Solutions Grant Program	14.231		1,463	1,266
Home Investment Partnerships Program	14.239		7,789	-
Housing Opportunities for Persons with AIDS	14.241		2,644	2,507
COVID-19 Housing Opportunities for Persons with AIDS	14.241		2	-
Total ALN 14.241			2,646	2,507
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251		1,584	-
Lead Hazard Reduction Grant Program	14.900		2,125	-
Healthy Homes Production Program	14.913		446	-
Passed Through Minnesota Housing and Finance Agency				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	02-2009-09A-NSP	40	-
Total U.S. Department of Housing and Urban Development			\$ 30,312	\$ 4,632
National Endowment for the Arts				
Passed Through Minnesota Historical Society				
Historic Preservation Fund Grants-In-Aid	15.904	Not provided	\$ 20	\$ -
U.S. Department of Justice				
Direct				
Congressionally Recommended Awards	16.753		\$ 232	\$ -
National Sexual Assault Kit Initiative	16.833		464	464
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838		726	347
Passed Through Hennepin County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PR00004174	66	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PR00005165	233	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PR00005967	83	-
Total ALN 16.738			382	-
Passed Through Minnesota Department of Public Safety				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	A-NFSIA-2024-MPLSPD-005	40	-
Total U.S. Department of Justice			\$ 1,844	\$ 811
U.S. Department of Labor				
Passed Through Minnesota Department of Employment and Economic Development				
WIOA Cluster				
WIOA Adult Program	17.258	2103100	\$ 203	\$ 190
WIOA Adult Program	17.258	3103100	1,061	945
WIOA Adult Program	17.258	4103100	174	174
WIOA Adult Program	17.258	Not provided	30	20
Total ALN 17.258			1,468	1,329
WIOA Youth Activities	17.259	2103600	429	409
WIOA Youth Activities	17.259	3103600	1,030	848
WIOA Youth Activities	17.259	4103600	166	155
Total ALN 17.259			1,625	1,412
WIOA Dislocated Worker Formula Grants	17.278	2108000	60	61
WIOA Dislocated Worker Formula Grants	17.278	3108000	415	365
WIOA Dislocated Worker Formula Grants	17.278	4108000	173	173
Total ALN 17.278			648	599
Total WIOA Cluster (\$3,742)				

The notes to the Schedule of Federal Awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 ALL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF MINNEAPOLIS
 (in thousands)
 (continued)

Federal Grantor Pass Through Agency Program or Cluster Title	Federal ALN	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor (Continued)				
Passed Through Midwest Urban Strategies, Inc. WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	MET-DW-37016-21-60-A-55	59	52
Total U.S. Department of Labor			\$ 3,800	\$ 3,392
U.S. Department of Transportation				
Direct				
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program	20.941		\$ 760	\$ -
Passed Through Metropolitan Council of the Twin Cities				
Highway Planning and Construction Total ALN 20.205 (\$14,605)	20.205	1029973	78	-
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Total ALN 20.205 (\$14,605)	20.205	1029973	14,527	-
Passed Through Minnesota Department of Public Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT23-2023-4TH-JD-008	25	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT25-2025-4th-JE-005	8	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Total ALN 20.608	20.608	A-ENFR24-2024-CRYSTAPD-026	12 45	- -
Total U.S. Department of Transportation			\$ 15,410	\$ -
U.S. Department of the Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 81,599	\$ 1,126
U.S. Environmental Protection Agency				
Direct				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		\$ 39	\$ -
Passed Through the Minnesota Public Facilities Authority				
Drinking Water State Revolving Fund	66.468	1270024-18	1,118	-
Drinking Water State Revolving Fund	66.468	1270024-22	923	-
Drinking Water State Revolving Fund Total ALN 20.608	66.468	1270024-14	191 2,232	- -
Total U.S. Environmental Protection Agency			\$ 2,271	\$ -
U.S. Department of Health and Human Services				
Direct				
Food and Drug Administration Research	93.103		\$ 15	\$ -
Injury Prevention and Control Research and State and Community Based Programs	93.136		247	-
COVID-19 Community Programs to Improve Minority Health	93.137		456	-
Racial and Ethnic Approaches to Community Health	93.304		938	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)				
Health Department Response to Public Health or Healthcare Crisis Total ALN 93.391(\$424)	93.391		356	19
COVID-19 PPHF: Racial and Ethnic Approaches to Community Health Program Financed Solely by Public Prevention and Health Funds				
	93.738		118	16
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		746	-

The notes to the Schedule of Federal Awards are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 ALL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF MINNEAPOLIS
 (in thousands)
 (continued)

Federal Grantor Pass Through Agency Program or Cluster Title	Federal ALN	Pass-through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)				
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	161418	314	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	223701	90	-
COVID-19 Immunization Cooperative Agreements	93.268	191800	11	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	191800	312	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	204270	15	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	204774	198	-
Total ALN 93.354			<u>213</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558	232362	1,363	1,226
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	210898	(1,164)	(1,152)
Maternal and Child Health Services Block Grant to the States	93.994	167257	800	313
Maternal and Child Health Services Block Grant to the States	93.994	256581	206	48
Total ALN 93.994			<u>1,006</u>	<u>361</u>
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	224293	68	-
Total ALN 93.391(\$424)				
Passed Through National Association of County and City Health Officials Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	93.421	2022-032114	30	-
Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	93.421	2022-102502	5	-
Total ALN 93.421			<u>35</u>	<u>-</u>
Passed Through Minnesota Department of Human Services Opioid STR	93.788	191971	125	-
Passed Through Hennepin County Teenage Pregnancy Prevention Program	93.297	HS00001406	600	-
Total U.S. Department of Health and Human Services			<u>\$ 5,849</u>	<u>\$ 470</u>
Executive Office of the President				
Direct High Intensity Drug Trafficking Areas Program	95.001		<u>\$ 45</u>	<u>\$ -</u>
U.S. Department of Homeland Security				
Direct Emergency Management Performance Grants	97.042		\$ 48	\$ -
Assistance to Firefighters Grant	97.044		96	-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		1,624	-
Passed Through Minnesota Department of Public Safety Homeland Security Grant Program	97.067	A-SHSP-2022-MPLSBOMB-011	160	-
Homeland Security Grant Program	97.067	A-SHSP-2023-MPLSBOMB-012	171	-
Homeland Security Grant Program	97.067	A-UASI-2014-MPL	12	-
Homeland Security Grant Program	97.067	A-UASI-2022-MPLSEMER-008	397	-
Homeland Security Grant Program	97.067	A-UASI-2023-MPLSEMER-023	413	-
Total ALN 97.067			<u>1,153</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 2,921</u>	<u>\$ -</u>
Total Federal Awards			<u>\$ 144,158</u>	<u>\$ 10,431</u>

The notes to the Schedule of Federal Awards are an integral part of this schedule.

For the Fiscal Year Ended December 31, 2024

(Dollar Amounts Expressed in Thousands)

NOTE 1 – REPORTING ENTITY

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the City of Minneapolis. It does not include \$1,362 in federal awards expended by the Minneapolis Park and Recreation Board component unit, which is legally separate from the primary government and had a separate single audit. The City's reporting entity is defined in Note 1 to the basic financial statements.

NOTE 2 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Minneapolis under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the audit requirements of Title 2 *U.S.Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Minneapolis, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Minneapolis.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the City of Minneapolis. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts may be shown. The negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10.0 or 15.0 percent de minimis indirect cost rate allowed under the Uniform Guidance. The 15.0 percent de minimis indirect cost rate is effective for grants made as of October 1, 2024.

This Section Left Blank Intentionally

**MUNICIPAL BUILDING COMMISSION
BALANCE SHEET
December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,494	\$ -	\$ 1,494
Receivables:			
Intergovernmental	1,435	3,201	4,636
Due from other funds	<u>1,739</u>	<u>-</u>	<u>1,739</u>
Total assets	<u>\$ 4,668</u>	<u>\$ 3,201</u>	<u>\$ 7,869</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
Liabilities:			
Salaries payable	\$ 214	\$ -	\$ 214
Accounts payable	384	1,066	1,450
Deposits held for other	24	-	24
Due to other funds	<u>-</u>	<u>1,739</u>	<u>1,739</u>
Total liabilities	<u>622</u>	<u>2,805</u>	<u>3,427</u>
Fund balances:			
Assigned	<u>4,046</u>	<u>396</u>	<u>4,442</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>4,046</u>	<u>396</u>	<u>4,442</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,668</u>	<u>\$ 3,201</u>	<u>\$ 7,869</u>
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities			
Fund balances - total governmental funds			\$ 4,442
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Non-depreciable		61,535	
Depreciable		75,182	
Accumulated depreciation		<u>(73,829)</u>	<u>62,888</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Other postemployment benefits payable		(603)	
Net pension liability		(2,826)	
Compensated absences		<u>(388)</u>	<u>(3,817)</u>
Deferred outflows and deferred inflows resulting from pension obligations and other postemployment benefits obligations are recorded only on the government-wide statement of net position. Balances at year end are:			
Deferred outflows of resources - other postemployment benefits		109	
Deferred outflows of resources - pensions		274	
Deferred inflows of resources - other postemployment benefits		(66)	
Deferred inflows of resources - pensions		<u>(1,076)</u>	<u>(759)</u>
Net position of governmental activities			<u>\$ 62,754</u>

**MUNICIPAL BUILDING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended December 31, 2024**

CITY OF MINNEAPOLIS, MINNESOTA

(In Thousands)

	General Fund	Capital Projects Fund	Total
REVENUES:			
Intergovernmental revenues	\$ 5,075	\$ 6,521	\$ 11,596
Charges for services and sales	3,575	6,532	10,107
Miscellaneous revenues	9	-	9
Total revenues	<u>8,659</u>	<u>13,053</u>	<u>21,712</u>
EXPENDITURES:			
Current:			
General government	8,410	-	8,410
Capital outlay	-	12,800	12,800
Total expenditures	<u>8,410</u>	<u>12,800</u>	<u>21,210</u>
Net change in fund balances	249	253	502
Fund balances - January 1	<u>3,797</u>	<u>143</u>	<u>3,940</u>
Fund balances - December 31	<u>\$ 4,046</u>	<u>\$ 396</u>	<u>\$ 4,442</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Governmental Activities

Net increase (decrease) in fund balances - total governmental funds \$ 502

Governmental funds report capital outlay 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.

Expenditures for general capital assets, infrastructure, and other related capital assets:	13,124	
Less current year depreciation	<u>(603)</u>	<u>12,521</u>

Some expenses and revenues reported in the statement of activities are not related to current financial resources and, therefore, are not reported as expenditures or revenues in governmental funds:

Change in other postemployment benefits payable	128	
Change in net pension liability	321	
Change in compensated absences	<u>(154)</u>	<u>295</u>

Increase (decrease) in net position of governmental activities \$ 13,318



THIS PAGE IS INTENTIONALLY BLANK

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends: These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	155-159
Revenue Capacity: These tables contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	160-163
Debt Capacity: These tables 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.	164-171
Demographic and Economic Information: These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	172-173
Operation Information: These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	174-177

Schedule 1
City of Minneapolis
Net Position by Component (In Thousands)
Last 10 Fiscal Years
December 31, 2024

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 968,927	\$ 1,057,445	\$ 1,190,812	\$ 1,311,190	\$ 1,203,135	\$ 1,365,745	\$ 1,375,177	\$ 1,421,756	\$ 1,478,541	\$ 1,506,791
Restricted	168,304	215,143	254,967	329,487	390,189	318,948	332,308	305,614	330,137	354,492
Unrestricted	(146,805)	(337,534)	(331,419)	(365,071)	(177,116)	(211,106)	(164,009)	(46,330)	(33,071)	454
Total governmental activities net position	<u>\$ 990,426</u>	<u>\$ 935,054</u>	<u>\$ 1,114,360</u>	<u>\$ 1,275,606</u>	<u>\$ 1,416,208</u>	<u>\$ 1,473,587</u>	<u>\$ 1,543,476</u>	<u>\$ 1,681,040</u>	<u>\$ 1,775,607</u>	<u>\$ 1,861,737</u>
Business-type Activities										
Net investment in capital assets	\$ 778,150	\$ 800,274	\$ 876,141	\$ 895,158	\$ 930,589	\$ 983,131	\$ 997,445	\$ 1,031,775	\$ 1,074,632	\$ 1,120,952
Restricted	34,856	35,336	36,082	36,821	30,598	25,102	25,069	24,811	25,809	26,495
Unrestricted	78,959	80,745	57,000	50,217	46,641	9,449	23,008	31,296	31,084	32,686
Total business-type activities net position	<u>\$ 891,965</u>	<u>\$ 916,355</u>	<u>\$ 969,223</u>	<u>\$ 982,196</u>	<u>\$ 1,007,828</u>	<u>\$ 1,017,682</u>	<u>\$ 1,045,522</u>	<u>\$ 1,087,882</u>	<u>\$ 1,131,525</u>	<u>\$ 1,180,133</u>
Primary government										
Net investment in capital assets	\$ 1,747,077	\$ 1,857,719	\$ 2,066,953	\$ 2,206,348	\$ 2,133,724	\$ 2,348,876	\$ 2,372,622	\$ 2,453,531	\$ 2,553,173	\$ 2,627,743
Restricted	203,160	250,479	291,049	366,308	420,787	344,050	357,377	330,425	355,946	380,987
Unrestricted	(67,846)	(256,789)	(274,419)	(314,854)	(130,475)	(201,657)	(141,001)	(15,034)	(1,987)	33,140
Total primary government net position	<u>\$ 1,882,391</u>	<u>\$ 1,851,409</u>	<u>\$ 2,083,583</u>	<u>\$ 2,257,802</u>	<u>\$ 2,424,036</u>	<u>\$ 2,491,269</u>	<u>\$ 2,588,998</u>	<u>\$ 2,768,922</u>	<u>\$ 2,907,132</u>	<u>\$ 3,041,870</u>

(UNAUDITED)

Schedule 2
City of Minneapolis
Changes in Net Position (In Thousands)
Last 10 Fiscal Years
December 31, 2024

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General government	\$ 97,652	\$ 128,137	\$ 102,171	\$ 103,781	\$ 31,300	\$ 25,088	\$ 85,640	\$ 117,462	\$ 139,362	\$ 166,241
Public safety	275,495	390,053	323,498	294,822	295,247	341,681	258,226	305,773	361,983	354,768
Public works	122,472	106,705	58,174	96,934	154,329	208,981	139,454	122,374	142,916	164,515
Culture and recreation	4,570	7,544	11,252	9,103	9,531	11,901	6,027	9,487	14,532	11,029
Health and welfare	23,462	25,494	25,483	24,983	26,592	32,211	35,518	43,037	36,191	51,675
Community planning & economic development	192,957	181,537	149,145	173,362	196,477	186,579	194,183	228,526	198,412	212,458
Interest on long-term debt	16,329	13,611	15,121	18,054	18,958	20,555	17,497	19,042	19,054	18,666
Total governmental activities expenses	<u>\$ 732,937</u>	<u>\$ 853,081</u>	<u>\$ 684,844</u>	<u>\$ 721,039</u>	<u>\$ 732,434</u>	<u>\$ 826,996</u>	<u>\$ 736,545</u>	<u>\$ 845,701</u>	<u>\$ 912,450</u>	<u>\$ 979,352</u>
Business-type Activities:										
Sanitary sewer	\$ 53,185	\$ 54,030	\$ 58,250	\$ 65,209	\$ 63,066	\$ 67,919	\$ 62,993	\$ 68,932	\$ 62,338	\$ 79,226
Stormwater	32,331	36,009	34,518	34,182	34,524	36,138	31,249	34,453	39,020	44,638
Water treatment and distribution services	64,973	67,826	59,536	58,068	68,792	67,124	68,657	70,112	76,673	81,087
Municipal parking	49,086	50,020	48,758	64,727	50,532	41,976	38,056	46,072	50,466	60,954
Solid waste and recycling	34,166	33,312	36,087	36,528	33,295	36,152	36,206	34,363	37,947	52,755
Community planning & economic development	6,684	6,330	5,921	5,437	4,716	3,887	2,906	16,988	1,372	1,266
Total business-type activities expenses	<u>\$ 240,425</u>	<u>\$ 247,527</u>	<u>\$ 243,070</u>	<u>\$ 264,151</u>	<u>\$ 254,925</u>	<u>\$ 253,196</u>	<u>\$ 240,067</u>	<u>\$ 270,920</u>	<u>\$ 267,816</u>	<u>\$ 319,926</u>
Total primary government expenses	<u>\$ 973,362</u>	<u>\$ 1,100,608</u>	<u>\$ 927,914</u>	<u>\$ 985,190</u>	<u>\$ 987,359</u>	<u>\$ 1,080,192</u>	<u>\$ 976,612</u>	<u>\$ 1,116,621</u>	<u>\$ 1,180,266</u>	<u>\$ 1,299,278</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 21,577	\$ 5,886	\$ 1,215	\$ 14,051	\$ 22,147	\$ 13,731	\$ 12,765	\$ 21,717	\$ 8,549	\$ 31,101
Public safety	16,357	17,051	17,681	19,764	21,300	15,902	18,707	16,346	17,332	16,949
Public works	26,976	43,236	60,640	25,397	51,362	32,971	28,416	42,462	41,348	55,363
Health and welfare	2,506	2,498	2,830	2,809	3,119	2,541	2,703	2,863	2,719	3,475
Community planning & economic development	71,117	71,370	69,946	87,235	86,790	56,580	59,577	77,531	60,531	68,238
Operating grants and contributions	127,515	132,535	137,377	130,724	122,641	124,193	139,521	256,696	230,554	230,500
Capital grants and contributions	5,228	14,255	11,356	9,054	15,529	37,366	5,526	812	7,433	5,275
Total governmental activities program revenues	<u>\$ 271,276</u>	<u>\$ 286,831</u>	<u>\$ 301,045</u>	<u>\$ 289,034</u>	<u>\$ 322,888</u>	<u>\$ 283,284</u>	<u>\$ 267,215</u>	<u>\$ 418,427</u>	<u>\$ 368,466</u>	<u>\$ 410,901</u>
Business-type Activities:										
Charges for services:										
Sanitary sewer	\$ 60,151	\$ 64,289	\$ 67,978	\$ 73,387	\$ 81,944	\$ 82,955	\$ 86,481	\$ 95,014	\$ 91,463	\$ 95,016
Stormwater	37,704	37,432	39,974	39,385	42,287	43,464	43,576	45,498	46,372	47,469
Water treatment and distribution services	72,624	78,963	81,070	82,500	81,940	84,753	85,963	88,399	94,578	96,171
Municipal parking	61,052	62,837	68,472	71,112	71,755	43,524	43,247	53,963	62,563	67,974
Solid waste and recycling	35,494	36,988	38,103	38,541	39,497	40,167	42,393	43,610	44,457	48,064
Community planning & economic development	6,494	6,101	5,735	4,792	4,703	3,890	2,907	16,453	824	963
Operating grants and contributions	5,468	5,089	6,988	5,771	3,996	4,573	3,561	4,323	4,407	14,091
Capital grants and contributions	-	-	-	-	-	1,664	-	-	-	-
Total business-type activities program revenues	<u>\$ 278,987</u>	<u>\$ 291,699</u>	<u>\$ 308,320</u>	<u>\$ 315,488</u>	<u>\$ 326,122</u>	<u>\$ 304,990</u>	<u>\$ 308,128</u>	<u>\$ 347,260</u>	<u>\$ 344,664</u>	<u>\$ 369,748</u>
Total primary government program revenues	<u>\$ 550,263</u>	<u>\$ 578,530</u>	<u>\$ 609,365</u>	<u>\$ 604,522</u>	<u>\$ 649,010</u>	<u>\$ 588,274</u>	<u>\$ 575,343</u>	<u>\$ 765,687</u>	<u>\$ 713,130</u>	<u>\$ 780,649</u>
Net (Expenses) Revenue										
Governmental Activities	\$ (461,661)	\$ (566,250)	\$ (383,799)	\$ (432,005)	\$ (409,546)	\$ (543,712)	\$ (469,330)	\$ (427,274)	\$ (543,984)	\$ (568,451)
Business-type Activities	38,562	44,172	65,250	51,337	71,197	51,794	68,061	76,340	76,848	49,822
Total primary government net expense	<u>\$ (423,099)</u>	<u>\$ (522,078)</u>	<u>\$ (318,549)</u>	<u>\$ (380,668)</u>	<u>\$ (338,349)</u>	<u>\$ (491,918)</u>	<u>\$ (401,269)</u>	<u>\$ (350,934)</u>	<u>\$ (467,136)</u>	<u>\$ (518,629)</u>

Schedule 2
City of Minneapolis
Changes in Net Position (In Thousands)
Last 10 Fiscal Years
December 31, 2024

(continued)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
General property tax and fiscal disparities	\$ 238,745	\$ 247,708	\$ 278,088	\$ 271,192	\$ 287,049	\$ 308,146	\$ 329,021	\$ 369,767	\$ 383,051	\$ 393,836
Property tax increment	45,205	49,616	55,666	62,129	66,303	69,418	27,435	1,108	491	982
Franchise taxes	30,118	29,515	32,143	34,772	32,370	31,181	33,635	40,758	40,122	43,973
Local taxes	78,293	80,851	83,266	89,794	89,182	49,290	33,133	66,666	77,608	87,328
Other taxes	313	212	267	298	329	262	10	-	-	-
Local government aid - unrestricted	68,022	68,391	68,543	69,683	69,754	71,821	68,815	68,845	65,518	74,934
Grants and contributions not restricted to programs	-	3,371	1,879	3,291	2,728	3,436	5,087	10,322	692	13,967
Unrestricted interest and investment earnings	3,399	7,754	6,651	14,764	30,539	23,478	846	(27,083)	47,900	35,708
Other	11,401	181	2,003	989	6,422	-	-	-	-	-
Gain on sale of capital assets	268	526	291	1,100	1,102	910	758	-	-	-
Transfers	14,604	22,753	31,102	36,002	46,850	43,149	40,479	34,455	34,788	3,853
Total governmental activities	<u>\$ 490,368</u>	<u>\$ 510,878</u>	<u>\$ 559,899</u>	<u>\$ 584,014</u>	<u>\$ 632,628</u>	<u>\$ 601,091</u>	<u>\$ 539,219</u>	<u>\$ 564,838</u>	<u>\$ 650,170</u>	<u>\$ 654,581</u>
Business-type Activities:										
Franchise taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339	\$ 356	\$ 338
Local government aid - unrestricted	-	-	-	-	-	-	-	-	3	855
Grants and contributions not restricted to programs	-	-	16	425	151	168	108	326	3	734
Unrestricted interest and investment earnings	306	205	364	636	981	887	(88)	(348)	1,108	636
Other	21	910	20	155	153	154	238	-	113	76
Gain on sale of capital assets	-	1,856	20,660	212	-	-	-	158	-	-
Transfers	(14,604)	(22,753)	(31,102)	(36,002)	(46,850)	(43,149)	(40,479)	(34,455)	(34,788)	(3,853)
Transfer of capital asset	-	-	-	(4,000)	-	-	-	-	-	-
Total business-type activities	<u>\$ (14,277)</u>	<u>\$ (19,782)</u>	<u>\$ (10,042)</u>	<u>\$ (38,574)</u>	<u>\$ (45,565)</u>	<u>\$ (41,940)</u>	<u>\$ (40,221)</u>	<u>\$ (33,980)</u>	<u>\$ (33,205)</u>	<u>\$ (1,214)</u>
Total primary government	<u>\$ 476,091</u>	<u>\$ 491,096</u>	<u>\$ 549,857</u>	<u>\$ 545,440</u>	<u>\$ 587,063</u>	<u>\$ 559,151</u>	<u>\$ 498,998</u>	<u>\$ 530,858</u>	<u>\$ 616,965</u>	<u>\$ 653,367</u>
Changes in Net Position										
Governmental Activities	\$ 28,707	\$ (55,372)	\$ 176,100	\$ 156,009	\$ 223,082	\$ 57,379	\$ 69,889	\$ 137,564	\$ 106,186	\$ 86,130
Business-type Activities	24,285	24,390	55,208	12,763	25,632	9,854	27,840	42,360	43,643	48,608
Total primary government	<u>\$ 52,992</u>	<u>\$ (30,982)</u>	<u>\$ 231,308</u>	<u>\$ 168,772</u>	<u>\$ 248,714</u>	<u>\$ 67,233</u>	<u>\$ 97,729</u>	<u>\$ 179,924</u>	<u>\$ 149,829</u>	<u>\$ 134,738</u>

(UNAUDITED)

Schedule 3
City of Minneapolis
Fund Balance, Governmental Funds (In Thousands)
Last 10 Fiscal Years
December 31, 2024

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 1,251	\$ 1,261	\$ 1,263	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	19,000	15,025
Assigned	-	10,000	10,000	-	-	-	-	1,500	52,051	54,381
Unassigned	104,740	96,236	105,835	102,946	128,040	167,654	142,828	172,217	139,319	139,769
Total general fund	<u>\$ 105,991</u>	<u>\$ 107,497</u>	<u>\$ 117,098</u>	<u>\$ 104,196</u>	<u>\$ 128,040</u>	<u>\$ 167,654</u>	<u>\$ 142,828</u>	<u>\$ 173,717</u>	<u>\$ 210,370</u>	<u>\$ 209,175</u>
All Other Government Funds										
Nonspendable	\$ 41,931	\$ 33,754	\$ -	\$ 263	\$ -	\$ -	\$ -	\$ 31	\$ -	\$ -
Restricted	168,304	215,143	254,967	329,487	390,189	318,948	332,308	305,614	311,137	339,467
Assigned	152,874	149,360	146,671	168,577	181,841	186,706	171,941	194,951	215,111	224,262
Unassigned	-	(25,195)	(2,039)	(1,818)	(13,822)	(8,479)	(5,158)	-	-	(20,136)
Total all other governmental funds	<u>\$ 363,109</u>	<u>\$ 373,062</u>	<u>\$ 399,599</u>	<u>\$ 496,509</u>	<u>\$ 558,208</u>	<u>\$ 497,175</u>	<u>\$ 499,091</u>	<u>\$ 500,596</u>	<u>\$ 526,248</u>	<u>\$ 543,593</u>

(UNAUDITED)

Schedule 4
City of Minneapolis
Changes in Fund Balance, Governmental Funds (In Thousands)
Last 10 Fiscal Years
December 31, 2024

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 393,015	\$ 408,195	\$ 428,271	\$ 458,711	\$ 475,364	\$ 458,154	\$ 423,217	\$ 477,737	\$ 501,596	\$ 525,945
Licenses and permits	45,878	48,267	46,398	48,658	56,547	46,403	41,353	54,885	45,801	50,772
Intergovernmental revenues	160,953	181,477	183,797	165,366	187,273	233,867	198,872	306,192	289,506	294,445
Charges for services and sales	71,609	90,626	110,799	80,785	92,324	70,614	80,135	78,309	78,386	81,037
Fines and forfeits	6,853	6,705	7,783	7,417	7,573	4,701	5,055	5,096	5,852	5,833
Special assessments	25,780	28,220	29,516	28,279	30,853	29,744	30,004	31,784	31,193	29,870
Investment earnings	3,903	7,916	6,679	14,776	30,287	24,715	1,192	(28,637)	48,015	35,808
Miscellaneous revenues	35,467	36,054	33,609	54,092	36,131	35,104	37,460	37,112	32,243	33,813
Total revenues	<u>743,458</u>	<u>807,460</u>	<u>846,852</u>	<u>858,084</u>	<u>916,352</u>	<u>903,302</u>	<u>817,288</u>	<u>962,478</u>	<u>1,032,592</u>	<u>1,057,523</u>
Expenditures										
Current:										
General government	102,556	106,212	100,772	107,988	108,097	112,397	109,505	132,220	170,260	173,359
Public safety	256,981	269,020	284,155	298,052	296,996	299,229	290,387	306,856	332,834	367,377
Public works	54,084	56,978	59,804	65,648	68,567	71,092	81,183	63,927	70,925	85,532
Culture and recreation	2,363	1,560	780	-	-	-	-	-	-	-
Health and welfare	21,235	21,705	23,797	24,104	26,106	31,689	34,238	41,979	36,210	50,938
Community planning & economic development	161,868	174,858	155,783	172,556	198,316	182,016	179,694	219,076	184,352	209,852
Capital outlay	76,361	151,681	193,489	107,091	174,674	191,240	127,867	115,520	131,698	147,150
Intergovernmental:										
General government	647	616	968	1,000	2,229	4,182	6,144	1,069	771	6,521
Health and welfare	168	154	111	132	126	48	26	-	332	168
Community planning & economic development	-	-	-	-	-	400	-	-	-	-
Culture and recreation	2,207	5,984	10,472	9,103	9,531	11,901	6,027	9,487	13,174	11,029
Debt Service:										
Principal retirement	83,871	84,027	154,711	153,750	140,725	106,410	46,515	76,491	73,925	67,372
Interest and fiscal charges	16,194	13,711	15,104	17,882	20,437	19,542	17,639	19,140	18,987	19,509
Bond issuance costs	482	4	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agents	22,753	4,440	-	-	-	-	-	-	-	-
Total expenditures	<u>801,770</u>	<u>890,950</u>	<u>999,946</u>	<u>957,306</u>	<u>1,045,804</u>	<u>1,030,146</u>	<u>899,225</u>	<u>985,765</u>	<u>1,033,468</u>	<u>1,138,807</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,312)</u>	<u>(83,490)</u>	<u>(153,094)</u>	<u>(99,222)</u>	<u>(129,452)</u>	<u>(126,844)</u>	<u>(81,937)</u>	<u>(23,287)</u>	<u>(876)</u>	<u>(81,284)</u>
Other Financing Sources (Uses)										
Transfers from other funds	114,054	110,883	131,389	166,304	264,881	97,918	128,568	176,259	162,263	176,388
Transfers to other funds	(115,943)	(110,336)	(120,300)	(149,809)	(246,105)	(80,781)	(149,039)	(196,339)	(162,575)	(173,030)
Premium (discount)	135	920	5,780	7,210	7,294	3,678	6,368	3,489	4,066	5,830
Software subscriptions issued	-	-	-	-	-	-	-	-	-	76
Leases issued	-	-	-	-	-	-	-	2,167	502	110
Bonds issued	22,710	53,860	58,835	107,250	188,930	84,610	73,130	70,105	73,105	88,060
Refunding bonds issued	-	4,440	56,010	47,275	-	-	-	-	-	-
Refunding notes issued	-	-	2,449	-	-	-	-	-	-	-
Loans and notes issued	20,000	35,182	55,069	5,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>40,956</u>	<u>94,949</u>	<u>189,232</u>	<u>183,230</u>	<u>215,000</u>	<u>105,425</u>	<u>59,027</u>	<u>55,681</u>	<u>77,361</u>	<u>97,434</u>
Net change in fund balance	<u>\$ (17,356)</u>	<u>\$ 11,459</u>	<u>\$ 36,138</u>	<u>\$ 84,008</u>	<u>\$ 85,548</u>	<u>\$ (21,419)</u>	<u>\$ (22,910)</u>	<u>\$ 32,394</u>	<u>\$ 76,485</u>	<u>\$ 16,150</u>
Debt service as a percentage of noncapital expenditures	16.4%	13.8%	21.1%	20.4%	18.5%	15.0%	8.3%	11.0%	10.3%	8.8%

(UNAUDITED)

Schedule 5
City of Minneapolis
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

Fiscal Year Ended December 31	Commercial Property	Apartment Property	Residential Property	Industrial Property	Personal & Other Property	Tax-Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate	Estimated Actual Taxable Value ²	Taxable Assessed Value as a % of Actual Taxable Value
2015	6,534,226	4,723,778	23,516,623	1,339,382	430,523	11,679,375	36,544,532	8.06	43,879,415	83%
2016	7,596,673	6,090,411	24,958,025	1,215,531	436,040	12,726,043	40,296,680	7.89	45,025,954	89%
2017	8,469,151	7,196,358	26,608,421	1,295,694	494,630	13,923,130	44,064,254	7.72	49,148,618	90%
2018	9,195,030	8,117,143	28,671,360	1,418,993	545,408	15,218,503	47,947,934	7.44	53,685,280	89%
2019	9,849,039	9,174,208	31,579,460	1,565,868	556,830	15,481,603	52,725,405	7.40	59,242,028	89%
2020	10,368,096	10,387,637	33,385,795	1,618,603	569,749	18,401,743	56,329,880	7.37	60,589,378	93%
2021	11,156,098	11,635,121	34,287,581	1,688,725	585,511	15,498,136	59,353,036	7.44	64,274,169	92%
2022	10,533,396	12,321,392	35,747,876	1,744,541	267,927	17,469,944	60,615,132	7.62	65,576,351	92%
2023	10,573,416	13,253,257	38,368,578	2,101,965	280,108	16,123,061	64,577,324	7.42	69,057,703	94%
2024	10,701,719	14,194,022	40,031,164	2,434,060	272,652	16,635,836	67,388,398	7.37	73,016,165	92%

Source: Finance and Property Services Department calculations, using Assessor data

Notes:

¹Total of the first five property types.

²Calculated using sales ratios, a means of statistically measuring the uniformity of assessments statewide.

Tax Rates are per \$1,000 of assessed value.

Total Direct Tax Rate is the weighted average of all individual direct tax rates applied.

(UNAUDITED)

Schedule 6
City of Minneapolis
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
December 31, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City Direct Rates										
<i>Tax Capacity Based Rates</i>										
General	4.48	4.59	4.55	4.40	4.61	4.61	4.69	4.79	4.79	4.78
Estimate and Taxation	-	-	-	-	-	-	-	-	-	-
Building Commission	0.13	0.13	0.12	0.11	0.11	0.11	0.07	0.10	0.08	0.08
Permanent Improvement	0.03	0.01	-	-	-	-	-	0.14	0.13	0.15
Bond Redemption	1.06	0.98	0.95	0.91	0.91	0.88	0.92	0.92	0.88	0.84
Firefighter's Relief Association	0.08	0.04	0.04	0.05	0.04	0.04	0.04	0.04	-	-
Police Relief Association	0.18	0.24	0.19	0.28	0.02	0.02	0.02	0.02	0.02	0.02
Minneapolis Employees Retirement Fund	0.51	0.29	0.31	0.19	0.23	0.23	0.22	0.21	0.18	0.17
Parks	1.52	1.55	1.50	1.44	1.43	1.43	1.44	1.36	1.31	1.30
Teacher's Retirement Association (a)	0.07	0.06	0.06	0.06	0.05	0.05	0.04	0.04	0.03	0.03
<i>Market Value Based Rates</i>										
Library Referendum (a)	-	-	-	-	-	-	-	-	-	-
Total City Direct Rates	<u>8.06</u>	<u>7.89</u>	<u>7.72</u>	<u>7.44</u>	<u>7.40</u>	<u>7.37</u>	<u>7.44</u>	<u>7.62</u>	<u>7.42</u>	<u>7.37</u>
Overlapping Rates										
<i>Tax Capacity Based Rates</i>										
Watershed Districts	0.22	0.22	0.22	0.22	0.20	0.19	0.18	0.17	0.16	0.14
Hennepin County	5.90	5.81	5.66	5.50	5.36	5.26	4.92	4.91	4.39	4.41
Minneapolis Public Schools	2.84	2.73	2.64	2.88	2.86	2.72	2.42	2.62	2.43	2.40
Other Special Taxing Districts	0.71	0.67	0.69	0.68	0.64	0.61	0.58	0.58	0.50	0.57
<i>Market Value Based Rates</i>										
Minneapolis Public Schools Referendum	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.01</u>	<u>0.02</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
Total Overlapping Rates	<u>9.69</u>	<u>9.45</u>	<u>9.23</u>	<u>9.29</u>	<u>9.08</u>	<u>8.79</u>	<u>8.11</u>	<u>8.29</u>	<u>7.49</u>	<u>7.53</u>
Grand Total	<u><u>17.75</u></u>	<u><u>17.34</u></u>	<u><u>16.95</u></u>	<u><u>16.73</u></u>	<u><u>16.48</u></u>	<u><u>16.16</u></u>	<u><u>15.55</u></u>	<u><u>15.91</u></u>	<u><u>14.91</u></u>	<u><u>14.90</u></u>

Based upon weighted class rate among property types (e.g. commercial/industrial, residential).

Bond Redemption levy is reserved for repayment of debt service, according to schedules at the time of sale of the bonds.

Source: Finance and Property Services Department

(a) Prior years data updated for Teacher's Retirement Association & Library Referendum
(UNAUDITED)

Schedule 7
City of Minneapolis
Principal Property Tax Payers
Current Year and Nine Years Ago
(in thousands of dollars)
December 31, 2024

Taxpayer	2024			2015		
	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed
	Value		Value	Value		
Bri 1855 IDS Center LLC	\$ 257,050	1	0.61%	\$ 209,970	5	0.93%
SRI Eleven Minneapolis 225 L	253,590	2	0.60%	243,740	3	1.08%
WFM Office Owner LLC	226,600	3	0.54%	-	-	-
33 City Center 33 South Property LLC	207,490	4	0.49%	-	-	-
US Bank Corp RE Tax Department	174,700	5	0.42%	-	-	-
Piedmont-800 Nicolett Ave LLC	171,550	6	0.41%	-	-	-
South Sixth Office LLC	149,390	7	0.36%	-	-	-
250 Nicollet Office LLC	135,955	8	0.32%	-	-	-
KBSIII 60 South Sith St LLC	119,555	9	0.28%	-	-	-
Dayton Hudson Corporation	112,290	10	0.27%	-	-	-
Northern States Power Co.	-	-	-	378,158	1	1.67%
First Minneapolis-Hines Co.	-	-	-	270,438	2	1.20%
Target Corporation	-	-	-	239,191	4	1.06%
NWC Limited Partnership	-	-	-	193,280	6	0.86%
Minneapolis 225 Holdings LLC	-	-	-	187,950	7	0.83%
Wells Operating Partnership LP	-	-	-	145,600	8	0.64%
Diamondrock Minneapolis LLC	-	-	-	133,000	9	0.59%
Wells Fargo Bank and Home Mortgage	-	-	-	127,496	10	0.56%
Total	\$ 1,808,170		4.30%	\$ 2,128,823		9.42%

Source: Hennepin County

(UNAUDITED)

Schedule 8
City of Minneapolis
Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year*	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 287,630	\$ 285,190	99.15%	\$ 1,618	\$ 286,808	99.71%
2016	297,580	294,605	99.00%	1,334	295,939	99.45%
2017	313,941	310,480	98.90%	774	311,254	99.14%
2018	331,208	327,272	98.81%	1,757	329,029	99.34%
2019	349,971	345,887	98.83%	1,947	347,834	99.39%
2020	374,309	368,655	98.49%	3,199	371,854	99.34%
2021	395,827	390,211	98.58%	1,027	391,238	98.84%
2022	417,419	413,005	98.94%	(439) **	412,566	98.84%
2023	444,387	433,670	97.59%	(235) **	433,435	97.54%
2024	467,038	451,583	96.69%	-	451,583	96.69%

Source: Minneapolis Finance and Property Services Department

* Includes special levies

** This negative amt is the result of adjustments, refunds and/or tax court orders exceeding the collection amt

(UNAUDITED)

Schedule 9
City of Minneapolis
Outstanding Debt by Type and Per Capita
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
December 31, 2024

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Per Capita (1)
	General Obligation Bonds & Notes	Revenue Bonds	Notes Payable	Lease Liability	Software Subscriptions Liability	General Obligation Bonds & Notes	Revenue Bonds	Lease Liability		
2015	437,357	22,710	13,695	-	-	214,125	84,790	-	772,677	1,879
2016	439,908	21,625	4,115	-	-	221,637	76,315	-	763,600	1,851
2017	460,116	20,305	3,705	-	-	216,456	64,300	-	764,882	1,849
2018	462,799	18,940	3,270	-	-	235,830	61,565	-	782,404	1,853
2019	517,235	17,520	2,805	-	-	255,579	58,835	-	851,974	2,003
2020	498,174	16,040	2,310	-	-	272,914	40,550	-	829,988	1,904
2021	530,631	14,500	1,785	-	-	307,508	24,640	-	879,064	2,045
2022	527,825	12,880	1,225	3,883	22,051	324,403	-	5,136	897,403	2,066
2023	532,799	11,190	630	4,499	19,953	330,725	-	4,664	904,460	2,070
2024	564,326	5,720	-	3,739	23,702	327,495	-	4,158	929,140	2,134

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Schedule 14 for population data.

Source: Minneapolis Finance & Property Services Department - Banking, Investments, & Debt

(UNAUDITED)

Schedule 10
City of Minneapolis
Ratios Of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except per capita)
December 31, 2024

Fiscal Year	Net General Bonded Debt Outstanding			Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Governmental General Obligation Bonds & Notes	Business-type General Obligation Bonds & Notes	Less Resources Restricted to Pay Debt Service			
2015	437,357	214,125	24,542	626,940	1.72%	1,524
2016	439,908	221,637	38,695	622,850	1.55%	1,510
2017	460,116	216,456	35,070	641,502	1.46%	1,551
2018	462,799	235,830	29,399	669,230	1.40%	1,585
2019	517,235	255,579	35,579	737,235	1.40%	1,733
2020	498,174	272,914	38,060	733,028	1.30%	1,682
2021	530,631	307,508	63,127	775,012	1.31%	1,803
2022	527,825	324,403	43,561	808,667	1.33%	1,862
2023	532,799	330,725	40,680	822,844	1.27%	1,883
2024	564,326	327,495	43,333	848,488	1.26%	1,948

Notes:

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

(1) See Schedule 5 for property value data. Assessed value used is consistent with valuations on the legal debt margin schedule.

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

Source: Minneapolis Finance & Property Services Department - Banking Investments & Debt

(UNAUDITED)

Schedule 11
City of Minneapolis
Direct and Overlapping Governmental Activities Debt
(in thousands of dollars)
December 31, 2024

Governmental Unit	Governmental Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
City of Minneapolis - Direct Debt	\$ 597,487	100.00%	<u>\$ 597,487</u>
<u>Overlapping Debt:</u>			
Special School District No. 1	813,093	100.00%	813,093
Hennepin County	1,192,537	25.97%	309,702
Hennepin County Regional Railroad Authority	76,775	25.97%	19,938
Metropolitan Council	40,610	11.77%	4,780
Subtotal, Overlapping Debt			<u>\$ 1,147,513</u>
Total Direct and Overlapping Debt			<u><u>\$ 1,745,000</u></u>

Notes:

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

(1) This table represents the governmental debt of the City of Minneapolis and the net debt share of the overlapping jurisdictions.

(2) The estimated percentage applicable is determined by Hennepin County and represents the tax capacity of the City in relation to the tax capacity of the overlapping jurisdictions as calculated by Hennepin County.

Sources:

Minneapolis Finance & Property Services Department - Investments & Debt Management
 Minneapolis Public School District 1
 Hennepin County
 MET Council Report of Outstanding Indebtedness

(UNAUDITED)

Schedule 12
City of Minneapolis
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 1,226,826	\$ 1,350,986	\$ 1,472,354	\$ 1,598,184	\$ 1,754,691	\$ 1,871,515	\$ 2,169,516	\$ 2,215,147	\$ 2,365,416	\$ 2,482,909
Total net debt applicable to limit	<u>114,260</u>	<u>109,926</u>	<u>106,843</u>	<u>141,957</u>	<u>261,336</u>	<u>241,735</u>	<u>241,475</u>	<u>265,267</u>	<u>277,646</u>	<u>312,918</u>
Legal debt margin	<u>\$ 1,112,566</u>	<u>\$ 1,241,060</u>	<u>\$ 1,365,511</u>	<u>\$ 1,456,227</u>	<u>\$ 1,493,355</u>	<u>\$ 1,629,780</u>	<u>\$ 1,928,041</u>	<u>\$ 1,949,880</u>	<u>\$ 2,087,770</u>	<u>\$ 2,169,991</u>
Total net debt applicable to limit as a percentage of debt limit	9.31%	8.14%	7.26%	8.88%	14.89%	12.92%	11.13%	11.98%	11.74%	12.60%

Legal Debt Margin Calculation for Fiscal Year 2024

Real Property (2024 Assessed Market Value)	\$ 67,388,398
Personal Property (2024 Assessed Market Value)	245,218
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	<u>(215,948)</u>
Total 2023 Assessed Market Value (as adjusted)	67,715,698
Debt Limit (3-2/3% of Market Value Applicable to Debt Limit)	2,482,909
Debt applicable to limit:	
General Obligation Bonds Subject to Debt Limit	332,185
Less: Amount set aside to pay general obligation debt	<u>(19,267)</u>
Total Net Debt Applicable to Limit	<u>312,918</u>
Legal Debt Margin	<u>\$ 2,169,991</u>

Source: Minneapolis Finance and Property Services Department - Banking, Investments, and Debt

Schedule 13
City of Minneapolis
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

WATER TREATMENT AND DISTRIBUTION SERVICES BONDS

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2015	\$ 73,099	\$ 55,271	\$ 17,828	\$ 8,654	\$ 3,121	\$ 11,775	1.51
2016	80,454	57,544	22,910	9,635	2,212	11,847	1.93
2017	82,247	52,586	29,661	12,765	2,512	15,277	1.94
2018	83,913	53,838	30,075	14,790	2,751	17,541	1.71
2019	81,432	57,921	23,511	16,360	2,957	19,317	1.22
2020	84,002	51,254	32,748	16,175	2,938	19,113	1.71
2021	86,074	53,940	32,134	16,570	3,153	19,723	1.63
2022	88,312	56,362	31,950	17,315	3,433	20,748	1.54
2023	94,652	61,860	32,792	17,160	3,849	21,009	1.56
2024	95,045	61,348	33,697	16,725	4,475	21,200	1.59

Notes:

(1) Operating revenue includes fees for services and other non-operating revenues available for debt service.

(2) Operating expenses are exclusive of depreciation and amortization.

Source: Minneapolis Finance & Property Services Department - Banking, Investments, & Debt

(UNAUDITED)

Schedule 13
City of Minneapolis
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

(Continued)

MUNICIPAL PARKING BONDS

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Debt Service Transfers (3) (4)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
					Principal	Interest	Total	
2015	\$ 61,226	\$ 40,601	\$ 525	\$ 21,150	\$ 5,440	\$ 3,463	\$ 8,903	2.38
2016	65,916	43,608	690	22,998	16,285	2,361	18,646	1.23
2017	68,489	45,385	814	23,918	10,129	1,771	11,900	2.01
2018	71,184	47,365	749	24,567	17,640	1,650	19,290	1.27
2019	71,757	47,036	880	25,601	11,190	1,526	12,716	2.01
2020	43,522	37,446	216	6,292	3,445	988	4,433	1.42
2021	43,306	34,319	879	9,866	2,060	967	3,027	3.26
2022	54,324	42,937	1,175	12,562	5,335	1,519	6,854	1.83
2023	63,011	46,399	4,579	21,191	7,415	1,889	9,304	2.28
2024	68,312	51,313	-	16,999	8,050	1,686	9,736	1.75

Notes:

- (1) Operating revenue includes fees for services and other non-operating revenues available for debt service.
- (2) Operating expenses are exclusive of depreciation and amortization.
- (3) Convention Center Related Public Parking debt is capitalized in the Municipal Parking Enterprise Fund and was paid using sales tax revenues transferred from the Convention Center Special Revenue Fund through 2013. The remaining debt was paid in full during 2014.
- (4) Tax Increment Transfers In were used to subsidize certain parking ramps through 2013 with a small remaining subsidy from 2014 on.

Source: Minneapolis Finance & Property Services Department - Banking, Investments, & Debt

(UNAUDITED)

Schedule 13
City of Minneapolis
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

(Continued)

SANITARY SEWER BONDS

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2015	\$ 60,358	\$ 56,245	\$ 4,113	\$ 3,500	\$ 320	\$ 3,820	1.08
2016	66,948	61,935	5,013	1,487	131	1,618	3.10
2017	69,357	63,674	5,683	2,700	662	3,362	1.69
2018	74,163	70,182	3,981	4,480	732	5,212	0.76
2019	82,491	72,419	10,072	4,990	916	5,906	1.71
2020	85,218	70,630	14,588	5,700	1,015	6,715	2.17
2021	86,709	73,549	13,160	6,355	1,242	7,597	1.73
2022	95,855	76,732	19,123	9,505	1,684	11,189	1.71
2023	91,641	72,062	19,579	9,515	1,800	11,315	1.73
2024	95,016	73,835	21,181	5,163	1,940	7,103	2.98

Notes:

(1) Operating revenue includes fees for services, as well as and other non-operating revenues and transfers available for debt service.

(2) Operating expenses are exclusive of depreciation and amortization.

Source: Minneapolis Finance & Property Services Department - Banking, Investment, & Debt

(UNAUDITED)

Schedule 13
City of Minneapolis
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

(Continued)

STORMWATER BONDS

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
2015	\$ 40,370	\$ 27,856	\$ 12,514	\$ 2,236	\$ 794	\$ 3,030	4.13
2016	38,380	31,617	6,763	2,500	62	2,562	2.64
2017	42,784	29,935	12,849	-	-	-	0.00
2018	41,958	29,322	12,636	-	-	-	0.00
2019	42,718	29,558	13,160	155	107	262	50.23
2020	44,686	30,923	13,763	600	186	786	17.51
2021	44,132	26,229	17,903	1,725	206	1,931	9.27
2022	47,004	28,763	18,241	3,670	779	4,449	4.10
2023	47,366	32,687	14,679	4,980	1,541	6,521	2.25
2024	47,737	37,825	9,912	3,735	1,883	5,618	1.76

Notes:

(1) Operating revenue includes fees for services and other non-operating revenues available for debt service.

(2) Operating expenses are exclusive of depreciation and amortization.

Source: Minneapolis Finance & Property Services Department - Banking, Investments, & Debt

(UNAUDITED)

Schedule 13
City of Minneapolis
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands of dollars)
December 31, 2024

(Continued)

SOLID WASTE AND RECYCLING BONDS

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Debt Service Transfers (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
					Principal	Interest	Total	
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2016	-	-	-	-	-	-	-	0.00
2017	-	-	-	-	-	-	-	0.00
2018	-	-	-	-	-	-	-	0.00
2019	39,587	39,898	3,994	3,683	2,760	1,412	4,172	0.88
2020	40,262	40,166	4,795	4,891	3,835	1,162	4,997	0.98
2021	42,424	41,021	4,607	6,010	3,860	989	4,849	1.24
2022	43,630	40,778	4,424	7,276	4,310	997	5,307	1.37
2023	44,493	44,710	471	254	570	778	1,348	0.19
2024	48,073	49,068	471	(524)	595	759	1,354	-0.39

Notes:

(1) Operating revenue includes fees for services and other non-operating revenues available for debt service.

(2) Operating expenses are exclusive of depreciation and amortization.

(3) Transfer from the General Debt Service Fund for shared facility.

Source: Minneapolis Finance & Property Services Department - Banking, Investments, & Debt

(UNAUDITED)

Schedule 14
City of Minneapolis
Demographic and Economic Statistics
Last 10 Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Personal Income (4)</u>	<u>Median Age (3)</u>	<u>Households (2)</u>	<u>Jobs (5)</u>	<u>Annual Average Unemployment Rate (6)</u>	<u>Median Household Income (2)</u>	<u>School Enrollment (7)</u>
2015	412,517	\$ 34,763	\$ 14,340,328,471	32.4	176,878	317,475	3.4%	\$ 54,571	35,649
2016	413,645	34,527	14,281,920,915	32.0	179,807	324,620	3.4%	56,255	35,597
2017	422,326	38,131	16,103,712,706	32.4	176,416	327,355	3.2%	60,789	35,402
2018	425,403	37,071	15,770,114,613	32.1	173,916	332,175	2.5%	58,993	34,572
2019	435,885	38,808	16,915,825,080	32.2	176,974	339,242	2.6%	62,583	33,593
2020	429,954	38,881	16,717,041,474	32.3	178,886	309,636	4.8%	66,068	32,023
2021	435,105	43,925	19,111,987,125	33.5	182,419	314,809	2.5%	70,099	29,580
2022	429,292	48,373	20,766,141,916	33.3	185,674	316,728	2.8%	76,332	28,437
2023	432,388	50,605	21,880,994,740	33.3	188,944	322,933	2.3%	80,269	28,580
2024	435,483	NA	NA	NA	NA	321,220	2.4%	NA	29,115

Sources:

- (1) Population - 2020 US Census. 2012 - 2019 Metropolitan Council.
- (2) Per Capita Income - U.S. Census Bureau - American Community Survey Table DP03 - 1 Year Estimate
- (3) Median Age - U.S. Census Bureau - American Community Survey Table DP05 - 1 Year Estimate
- (4) Personal Income = Population x Per Capita Income
- (5) Jobs data from MN DEED/QCEW tables; 2023 number reflects 3rd quarter, latest available data
- (6) Annual Average Unemployment Rate - from MN DEED/LAUS tables
- (7) School Enrollment - Minneapolis Public Schools/Student Accounting Office

NA - 2024 data is not yet available for these categories.

(UNAUDITED)

**Schedule 15
City of Minneapolis
Principal Employers
Current Year and Nine Years Ago**

Employer	2024				2015 (d)		
	Approximate Number of Employees	Rank	Percentage of Total Metro Employment		Approximate Number of Employees	Rank	Percentage of Total City Employment
University of Minnesota	25,640	1	8.0%	(a)	14,400	1	4.5%
Allina Health	9,605	2	3.0%	(b)	9,400	5	3.0%
Hennepin Healthcare	7,541	3	2.3%	(c)	7,200	6	2.3%
Target Corporation	7,100	4	2.2%	(c)	9,500	4	3.0%
Hennepin County	6,176	5	1.9%	(c)	6,200	8	2.0%
Wells Fargo Bank	5,500	6	1.7%	(c)	11,000	2	3.5%
US Bancorp	4,256	7	1.3%	(c)	4,100	(e)	1.29%
Ameriprise Financial Services	4,249	8	1.3%	(c)	5,000	9	1.6%
City of Minneapolis	2,378	9	0.7%	(c)	5,000	9	1.6%
Xcel Energy	2,333	10	0.7%	(c)	2,900	(e)	0.9%
Fairview Health Services	-	-	-		10,200	3	3.2%
Minneapolis Public Schools	-	-	-		6,900	7	2.2%
Total	74,778		23.3%		91,800		29.1%

Notes:

- a) Employment numbers are Twin Cities wide rounded to the nearest 100. Sources for City jobs: UMN Human Resources
- b) Employment numbers are Minneapolis wide rounded to the nearest 100. Sources for City jobs: Allina Public Relations Department
- c) Employment numbers are downtown Minneapolis only rounded to the nearest 100. Sources for City jobs: Mpls Downtown Council
- d) Source was from previously published 2015 City Annual Report
- e) Employer not part of top ten city-wide employers in 2015 City Annual Report.

(UNAUDITED)

Schedule 16
City of Minneapolis
Full-time Equivalent City Government Employees by Function
Last 10 Fiscal Years
December 31, 2024

Function Program	Full-time Equivalent Employees as of December 31									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Assessing	36.00	37.00	38.00	38.00	38.00	38.00	38.00	37.00	38.00	38.00
City Attorney	110.00	112.00	112.00	113.30	114.30	114.30	113.30	107.30	112.30	120.30
City Clerk/Council/Elections	70.00	71.00	71.00	71.00	71.00	72.00	75.00	83.00		
City Auditor	3.00	3.00	4.00	4.00	4.00	4.00	4.00	5.00		
Legislative department*									98.00	115.00
City Coordinator	747.60	754.10	764.10	771.30	780.30	795.30	806.50	810.80		
Office of Public Service**									718.14	729.94
Civil Rights	23.00	25.00	29.00	30.00	32.00	35.00	35.00	39.00	42.50	46.50
Mayor	12.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00	16.00	16.00
Public Safety:										
Fire Department	413.00	413.00	418.00	421.00	426.00	428.00	428.00	427.00	442.00	442.00
Office of Community Safety**									125.15	129.50
Police Department	1,020.50	1,029.50	1,060.50	1,080.50	1,080.50	1,082.90	1,077.00	926.00	900.00	935.00
Regulatory Services	156.50	173.00	177.00	177.00	181.00	179.40	178.40	177.40	189.90	196.90
Public Works	1,004.50	1,005.90	1,097.90	1,134.60	1,151.85	1,161.65	1,143.40	1,124.10	1,148.67	1,165.67
Minneapolis Health Department	99.30	100.05	103.05	107.00	107.85	110.85	112.50	119.20	109.34	159.30
Community Planning and Economic Development	230.00	239.00	240.00	243.00	251.00	252.00	251.00	236.00	234.00	244.00
	<u>3,925.40</u>	<u>3,975.55</u>	<u>4,127.55</u>	<u>4,203.70</u>	<u>4,251.80</u>	<u>4,287.40</u>	<u>4,276.10</u>	<u>4,105.80</u>	<u>4,174.00</u>	<u>4,338.11</u>
Independent Boards:										
Board of Estimate & Taxation***	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	-	-
Park & Recreation Board	832.00	859.26	924.36	956.91	957.52	972.85	973.00	1,009.00	991.00	998.00
Municipal Building Commission	55.00	55.00	55.00	59.00	59.00	59.00	44.00	43.00	44.00	44.00
Youth Coordinating Board	8.00	8.00	8.00	8.00	8.00	7.00	8.00	7.00	7.00	7.00
	<u>896.00</u>	<u>923.26</u>	<u>988.36</u>	<u>1,024.91</u>	<u>1,025.52</u>	<u>1,039.85</u>	<u>1,026.00</u>	<u>1,059.50</u>	<u>1,042.00</u>	<u>1,049.00</u>
Total	<u>4,821.40</u>	<u>4,898.81</u>	<u>5,115.91</u>	<u>5,228.61</u>	<u>5,277.32</u>	<u>5,327.25</u>	<u>5,302.10</u>	<u>5,165.30</u>	<u>5,216.00</u>	<u>5,387.11</u>

Source: City Management and Budget

*The Legislative department includes City Clerk, City Council, Elections & City Auditor.

**In 2022, City Council adopted a plan to reorganize city departments. The plan created the Office of Community Safety, and the Office of Public Service.

*** In 2024, there were no budgeted FTEs in BET; They had 2 Board members working part-time.

(UNAUDITED)

Schedule 17
City of Minneapolis
Operating Indicators by Function/Program - Last 10 Fiscal Years
December 31, 2024

Function/Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Assessing										
Sales ratio, all classes aggregated	95%	95%	96%	95%	95%	95%	95%	96%	96%	96%
Number of parcels' valuations petitioned in tax court	580	643	642	967	1,165	1,145	1,129	1,189	1,164	1,720
Attorney - City litigation										
Liability payouts, millions \$	2	1	1	1	23	3	28	13	12	3
Civil litigation caseload	629	255	233	246	546	137	525	582	563	479
City Clerk - Elections										
Number of registered voters	225,027	246,185	239,750	249,298	250,529	272,617	254,380	243,789	244,028	254,871
Number of votes cast in election	no election	219,832	105,928	207,114	no election	238,104	145,337	178,848	78,960	219,417
Voter turnout, percentage of registered voters	no election	78.9%	42.5%	76.0%	no election	81.3%	54.0%	68.5%	31.7%	78.1%
Type of election, highest level of government	no election	Federal	Municipal	State	no election	Federal	Municipal	State	Municipal	Federal
Number of new voters registered at the polls	no election	32,406	9,762	24,218	no election	20,328	14,549	17,353	4,934	26,129
Number of spoiled ballots	no election	3,843	4,295	3,100	no election	3,126	5,689	2,514	1,448	4,134
Number of absentee ballots	no election	60,538	11,975	52,313	no election	170,631	29,572	45,871	13,531	86,465
Office of Public Service - Finance (a)										
Bond rating - Fitch	AAA	AAA	AA+	AA+	AA+	AA+	AA+	AA+	AAA	AAA
Bond rating - Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aaa
Bond rating - Standard & Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Collections effectiveness indicator, utility revenues (b)	89.26%	84.33%	84.96%	89.85%	91.01%	74.97%	76.98%	84.62%	70.00%	72.44%
Civil Rights										
Number of new civil rights complaints	101	97	109	124	109	65	134	239	251	342
Number of new complaints of police misconduct	344	370	402	569	598	1,198	381	381	268	250
Community Planning and Economic Development										
Number of jobs added by City loan assisted businesses (projected)	484	464	NA	437	NA	NA	NA	NA	NA	NA
Multifamily housing investment: City funds, millions \$	12	20	11	2	15	20	29	36	27	30
Multifamily housing investment: Other public funds, millions \$	22	25	7	47	47	80	15	62	39	92
Multifamily housing investment: Private funds, millions \$	157	202	340	19	346	1,115	284	293	239	247
Business finance loans: City funds, millions \$	2	2	2	2	2	2	2	2	2	2
Number of foreclosure sales	502	343	243	NA	NA	NA	NA	NA	NA	NA
Convention Center										
Occupancy rate	56.8%	56.9%	60.0%	61.9%	56.9%	15.7%	17.2%	38.0%	44.5%	44.9%
Total attendance	786,790	749,760	819,052	839,794	863,877	316,243	356,305	478,871	711,941	719,756
Health										
Number of three-year old screenings conducted by the schools	1,483	1,490	1,707	1,638	1,552	575	802	1,069	1,092	1,080
Number of homicide deaths in Minneapolis, ages 0-24 (c)	24	NAP	10	15	10	20	16	15	14	NA
Percent of one and two year olds tested for lead	63.0%	66.0%	68.0%	63.0%	0.0%	53.0%	56.1%	57.0%	65.0%	63.0%
Number of children under age 6 with elevated lead levels	218	192	159	106	89	66	106	156	82	182
Public Safety										
Office of Public Safety - 911 (a)										
911 calls answered within 15 seconds	N/A	96%	95%	92%	92%	90%	100%	86%	84%	81%
911 calls answered within 40 seconds	N/A	99%	99%	98%	98%	96%	100%	96%	95%	93%
911 pending time to dispatch, high priority calls, minutes	NAP	0.11	0.12	3.03	2.48	3.56	4.37	5.13	5.15	5:19
Office of Public Service - 311 (a)										
Percent of 311 calls answered in 20 seconds or less	78.9%	78.6%	71.5%	54.2%	5.2%	42.0%	42.0%	22.4%	46.5%	60.9%
Percent of 311 calls resolved at first call	79.6%	82.5%	81.8%	81.7%	81.4%	84.1%	84.1%	87.8%	88.8%	92.2%
Attorney - Criminal Prosecution										
Number of chronic offenders convicted	99	155	156	90	N/A	N/A	N/A	N/A	N/A	N/A
Domestic violence conviction rate	68.0%	68.0%	68.0%	62.0%	66.0%	52.0%	N/A	N/A	N/A	N/A
Prosecution caseload	18,505	17,289	18,857	14,863	13,849	10,587	8,894	9,029	9,664	10,195

Schedule 17

City of Minneapolis

Operating Indicators by Function/Program - Last 10 Fiscal Years
December 31, 2024

Continued

Function/Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety - Continued										
Fire										
Number of emergency responses	41,343	49,898	47,190	45,962	49,017	45,835	51,233	55,383	58,108	60,840
Number of fires extinguished (all non EMS runs prior to 2002)	1,272	1,277	1,243	1,176	1,235	1,363	1,694	1,652	1,677	1,745
Number of hazmat, false alarms, and other non EMS/ fire runs	11,432	13,810	13,440	14,116	15,563	14,888	15,323	17,082	18,211	19,259
Number of inspections	3,529	3,762	3,751	3,708	NAP	NAP	NAP	NAP	NAP	NAP
Number of familiarizations	N/A	N/A	N/A	N/A	3,322	1,393	460	1,106	1,189	1,551
Percent of time response is five minutes or less	79.8%	76.6%	79.0%	73.5%	76.7%	71.0%	71.0%	65.0%	61.5%	65.9%
Lives lost due to fires	8	2	10	2	6	2	10	3	5	-
Civilian injuries due to fire	24	16	18	19	22	12	23	14	14	22
Police										
Total Part I Crimes - (Violent Crime + Property Crime)	22,000	22,369	23,845	20,883	24,010	25,500	24,111	NAP	NAP	NAP
Total Part II Crimes	33,127	25,992	19,288	19,614	18,585	18,786	18,166	NAP	NAP	NAP
Total Violent Crimes - (subset of Part I Crimes)	4,458	4,639	4,557	3,851	4,324	5,426	5,945	NAP	NAP	NAP
Number of guns seized	685	630	942	664	943	1,095	1,027	1,101	1,094	998
Homicides	N/A	N/A	N/A	N/A	48	85	93	79	72	76
Assaults	N/A	N/A	N/A	N/A	8,964	8,919	8,524	9,410	9,680	9,854
Robberies	N/A	N/A	N/A	N/A	1,325	1,833	2,226	1,804	1,450	1,602
Sex Offenses	N/A	N/A	N/A	N/A	981	826	817	791	839	857
Gun Shot Victims	N/A	N/A	N/A	N/A	269	550	657	544	415	378
Burglary	N/A	N/A	N/A	N/A	3,360	3,971	2,546	2,611	2,617	2,625
Auto Theft	N/A	N/A	N/A	N/A	2,990	4,099	4,262	6,282	7,868	6,666
Theft	N/A	N/A	N/A	N/A	13,367	12,180	11,806	13,894	12,188	12,929
Community Planning and Economic Development - Building permits										
Permits issued	15,127	12,651	11,455	11,870	12,523	11,474	12,790	11,641	17,483	18,619
Estimated value, in millions \$	1,389	1,758	1,495	1,811	2,164	1,737	1,622	2,177	1,547	1,884
Public Works										
Refuse Collection										
Refuse collected, tons	115,522	113,190	111,431	108,991	108,560	118,261	114,706	104,771	104,244	105,542
Compostable material collected, tons	20,160	21,015	22,235	23,263	24,962	26,942	22,884	20,887	22,344	22,982
Non-recyclable construction material collected, tons	5,112	5,089	5,723	4,965	5,294	5,004	4,629	4,022	3,815	3,819
Recyclables, tons	28,065	29,560	29,191	28,401	27,518	30,054	27,208	24,270	23,260	22,368
Percent of solid waste stream recycled, by weight	25.3%	26.3%	26.3%	26.2%	25.4%	25.0%	23.7%	25.4%	22.3%	21.2%
Water										
Average daily production, thousands of gallons	52,546	54,383	55,620	55,852	52,737	52,343	53,875	53,917	57,445	53,227
Sewer										
Number of sanitary sewer backups	15	4	15	10	11	14	19	12	12	17
Streets										
Safety and ride-ability pavement condition index (PCI), average of all city streets	69	69	72	71	NA	NA	NA	66	62	60
Number of traffic crashes	7,991	7,476	7,784	8,028	7,772	5,365	4,959	5,033	5,195	5,255
Number of injuries in traffic crashes	2,444	2,213	2,143	2,036	2,014	1,570	1,669	1,676	1,722	1,729

Notes:

NA = Not Available, NAP = measure is Not Applicable to that year; new service or process; will update when information is available.

The City is working to focus on consistent reporting of results data. Although many of these statistics may have been collected in earlier years, the method of collection may not have been the same as current collection methods.

- (a) In 2022, City Council adopted a plan to reorganize city departments. The plan created the Office of Community Safety, and the Office of Public Service formally known as the City Coordinator Office.
- (b) City stopped the delinquent water shut off process in 2020 resulting in lower CEI (Collection Effectiveness Indicator).
- (c) Not available yet

Source: Minneapolis Finance and Property Services Department using City Department reports/personnel.
(UNAUDITED)

Schedule 18
City of Minneapolis
Capital Assets Statistics by Function/Program
Last 10 Fiscal Years
December 31, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Primary Government</u>										
Public Safety:										
Police stations	5	5	5	5	5	4	4	4	4	4
Patrol units	195	201	199	206	201	206	207	197	245	190
Unmarked, trucks, trailers, scooters, motorcycles	221	203	222	229	226	232	230	238	221	222
Fire Stations	19	19	19	19	19	19	19	19	19	19
Fire Trucks/Pumpers/Ladders/Engines/Cars	110	76	77	80	82	109	94	101	97	95
Regulatory Services Fleet	101	114	110	107	109	117	119	117	124	125
Public Works:										
Refuse collection trucks, heavy equipment, dumpsters	156	140	128	129	122	131	126	126	133	139
Streets (miles)	903	903	903	903	903	903	903	903	960	960
Alleys (miles)	380	380	378	378	378	378	378	378	378	378
Sidewalks (miles)	1,715	1,715	1,910	1,910	1,910	1,910	1,910	1,910	1,911	1,911
Streetlights	19,000	19,000	19,199	19,199	19,351	19,451	20,835	20,835	21,000	21,707
Traffic signals	916	916	809	809	810	820	820	820	820	820
Buildings/Plants/Garages	33	33	34	34	34	34	36	36	36	36
Equipment, cars, trucks, tractors, vans	1,395	1,260	1,252	1,219	1,214	1,269	1,257	1,253	1,269	1,261
Community and Economic Development:										
Convention Center	1	1	1	1	1	1	1	1	1	1
Target Center	1	1	1	1	1	1	1	1	1	1
<u>Business-type Activities</u>										
Water Treatment and Distribution Services:										
Water mains (miles)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,019	1,019
Fire hydrants	8,084	8,084	8,084	8,084	8,084	8,084	8,084	8,084	7,982	8,067
Storage capacity (thousands of gallons)	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
Buildings	14	14	14	14	14	14	14	14	14	14
Reservoirs	8	8	8	8	8	8	8	8	8	8
Sanitary Sewer:										
Sanitary sewers (miles)	830	830	830	830	830	830	830	830	830	830
Sanitary Lift Stations	9	9	9	9	9	9	9	11	11	11
Stormwater:										
Storm sewers (miles)	581	581	581	581	581	581	581	581	581	581
Stormwater Pump Stations	23	23	23	23	23	23	23	23	23	23
Stormwater Ponds and Treatment Sites	27	29	29	29	29	29	29	29	29	29
Number of parking ramps	14	14	14	13	13	13	13	13	13	12

Source: Minneapolis Finance and Property Services Department and Department of Public Works

(UNAUDITED)