



City of Savage  
Scott County, Minnesota

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR YEAR ENDED

DECEMBER 31, 2021

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PREPARED BY:

FINANCE DEPARTMENT

Julie Stahl  
Finance Director

Member GFOA of U.S. and Canada  
Published June 6, 2022

CITY OF SAVAGE  
SAVAGE, MINNESOTA

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE YEAR ENDED  
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Annual Comprehensive Financial Report  
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INTRODUCTORY SECTION

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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June 6, 2022

To the Mayor, City Council and the Citizens of the City of Savage:

Minnesota statutes require all cities to issue an annual report on their financial position and activity, prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Savage, Minnesota for the fiscal year ended December 31, 2021.

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

The City of Savage's financial statements have been audited by Abdo, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Savage for the fiscal year ended December 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Savage's financial statements for the fiscal year ended December 31, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

The City of Savage, incorporated in 1892, is a suburban community located in the southwest region of the Twin Cities metropolitan region, approximately 20 miles from downtown Minneapolis and 20 miles from downtown St. Paul. This region is considered to be the major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Savage currently occupies a land area of approximately 17 square miles and serves a population of approximately 32,516 individuals, 11,223 households and over 650 businesses employing over 7,400 individuals. The City of Savage is empowered to levy a property tax on both real and personal properties located within its boundaries. While it is empowered by state statute to extend its corporate limits by annexation, Savage is still developing within its corporate limits and is bordered on three sides by other incorporated communities.

The City of Savage became a statutory city in 1974. The City operates under a statutory form of government consisting of a four-member city council and a mayor who is a voting member. Council members serve four-year staggered terms, with two Council members elected every four years, and the Mayor serves a four year term. Among its primary duties, the City Council makes laws, sets policies, adopts budgets and oversees a wide ranging agenda for the community. The City Administrator is appointed by the City Council. This official heads the administrative branch of City government and directs all City operations, projects and programs.

The City of Savage provides a full range of services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure; water, sewer and storm sewer services and recreational activities. A total of 200 full, part-time, and seasonal employees in seven departments are responsible for the effective delivery of the aforementioned services.

The annual budget serves as a foundation for the City of Savage's financial planning and control. All departments of the City of Savage submit requests for appropriation for the following year to the City Administrator, who uses this information to develop a proposed budget. This is presented to the City Council for review. The City Council is required to adopt a proposed budget and tax levy by September 30. The Council is also required to schedule and hold a Truth in Taxation (TNT) public hearing. The council must also adopt a final budget by no later than December 31.

## **LOCAL ECONOMY**

The City of Savage is strategically located in the southwest portion of the Twin Cities metropolitan area. The City has two quick access points over the Minnesota River from Highway 13, the Highway 169 Bloomington Ferry Bridge and Interstate 35 Bridge. Both provide City residents and the business community with a direct connection to the 494 corridor and a quick path to downtown Minneapolis. Less than 25 minutes from the Mall of America and the Airport, the City has become an attractive location for both commuters and businesses alike. The location combined with the unique connected system of parks, open spaces, sidewalks and trails has made the City an attractive location to live, work and play.

Beginning in 2008 the City began to experience a general slowdown due to the onset of the "great recession." The City of Savage has weathered the storm nicely and signs of an economic turnaround began to emerge in 2011. In the past five years, the City has seen on average a 7.7% annual increase in taxable market value. The increase can be attributed to both new development and an overall recovery in property market values. Residential sale values are steadily increasing and are at levels that existed prior to the recession. Preliminary valuations for 2023 indicate a 21% increase in the taxable market value of the City.

Other economic indicators in the City remain positive. Local unemployment is below state and national levels, due in part to the high education levels of City residents and the dramatically improved economic conditions. A large percentage of the wage earners residing in Savage possess post-secondary degrees or higher and a significant number of households have two wage earners. Recent 2020 Census Data results indicate the City has a median family income of \$116,895 – one of the highest in the Twin Cities Metropolitan Area.

## **LONG-TERM FINANCIAL PLANNING**

City of Savage officials continue to exercise budgetary restraint and fiscally responsible management practices to enhance cash flow and general fund stability. Individual budgets and multi-year projections are utilized for each of the City's funds. Debt service fund projections and cash flow models are updated and reviewed annually. Officials continue to review the impact to tax levy during the budget process and when issuing new debt for capital projects.

In May 2009 the City's bond rating was upgraded by Standard & Poor's to AA+ from Aa3 (Moody's) in recognition of a consistent growth rate, improved financial policies and manageable debt. In November of 2017, Standard & Poor upgraded the City's general obligation debt rating to a AAA. This upgrade reflects the city's healthy trend of economic growth, resulting in stronger wealth and income figures – both of which are expected to continue. The upgrade is also a reflection of the city's strong financial performance, very strong financial policies and practices, and maintenance of very strong reserves and liquidity. During 2019 conservative spending and cost savings measures resulted in an enhanced year-end fund balance ratio. We continue to achieve and plan to maintain our financial policy goal of a 35% - 50% fund balance ratio at year's end. It is noteworthy to mention that the City's actual fund balance ratio has steadily remained at 50% since 2011.

Due to economic factors being experienced with the COVID-19 pandemic, new residential and commercial building and development-related revenues collected in 2020 and 2021 were lower than in years past, but still more than our conservative budgeted amounts. The City is optimistic that new development and redevelopment activity will continue to grow in 2022, which is important for a community approaching full build out. Despite the effects of the pandemic, the City maintained the 50% fund balance ratio at year's end.

Preliminary valuation reports from Scott County indicate that overall community market values will increase 21% again in 2023, at much higher levels than those in 2022. The growth in the tax capacity will outweigh the cost of the City's full transition to the fulltime fire staffing model in 2023. Staff anticipates that we will be able to develop a budget for 2023 that will result in a reduced overall City tax rate.

Over the years, the City's liquor operations helped to fund over \$4.6 million in community projects – building an environmental learning center and assisting in the payment of the library bonds. Unfortunately, economic factors have negatively affected the operations in the past several years. After two consecutive years of losses in the City's liquor operations, staff has actively been making several changes to turn matters around. Management and council continue to monitor the progress of the fund and are committed to keep the City's best interest in mind. The City made the last payment on the bonds issued for the construction of the Marketplace liquor building in February 2019. The City realized an increase in net position for the Liquor operations fund of \$508,939 in 2019. Continued operational improvements in the liquor stores and the positive effect on sales during the 2020 pandemic enabled the liquor fund to transfer \$400,000 to support various community projects at yearend. Additionally, despite large maintenance expenditures in 2021, the liquor fund transferred \$450,000 to community park projects at yearend. Staff is anticipating another strong year in 2022 and looks forward to continuing to transfer funds out in this manner.

## **RELEVANT FINANCIAL POLICIES**

Beginning in 2015 the City was able to eliminate its' reliance on the use of fund balance to balance the annual General Fund operating budget. The 2022 general operating tax levy is \$723K more than in 2021 (4.8% increase) – mainly due to the transitioning from a paid-on-call fire model to a fulltime model. The City's overall tax rate decreased by 1.24% due to the 2022 tax base increasing by \$3.5 million and the debt levy reducing by \$479K. The 2022 budget continues to include our practice of projecting building permit and development revenue at conservative levels. The City has also eliminated any reliance on the receipt of financial aid from the State of Minnesota, apart from police and fire aid, which is approximately \$460,000.

Moving into the 2023 budgeting process we will continue our past practice of conservatism with our expenditures. Minimal staffing increases will occur with the addition of a Code Enforcement position - currently scheduled for a mid-2022 start date. The full implementation of the new fire staffing model will also be a driving factor. Any anticipated increases in General Fund expenditures are projected to be absorbed by the growth in our tax base and will not require an increase in our tax rate nor any reliance on our Fund Balance reserves.

The City participates in the State of Minnesota Performance Measurements Program and will be reviewing these measures as relevant guidelines during future budget sessions. The City is also reviewing any major budget changes (increases or decreases) expected during a five-year projection period. The City is also working on a Strategic Plan which covers and addresses the priorities of the City over the next three years. The City completed its' first five-year budget document in 2014 and submitted the 105-page report to the GFOA for the Distinguished Budget Presentation Award. The City received the Distinguished Budget award for this first submission and has subsequently received the award for the 2015 through 2020 budget years as well.

## MAJOR INITIATIVES

The coronavirus pandemic hit hard in 2020 and continued into 2021. New development slowed tremendously, but alteration permits remained quite high - 1476 in 2020 compared to 1563 in 2019. Due to the supply chain issues and inflation challenges, there were only 1104 alteration permits issued in 2021. The total value of permits was \$57.8 million in 2020 and was \$53.6 million in 2021. Residentially, there were 66 single family detached dwelling units added – down from the 75 in 2020 and 129 in 2019.

While available commercially zoned land is becoming less available, the City continues to see steady new commercial development and redevelopment. In 2022, construction will begin on MN Mash which is a 6,700 square foot private baseball and training center located off CR 16. This is an 11-acre development that will bring utilities and road access into additionally zoned commercial property creating more opportunities for development in the area. In 2022, construction continues on a 28-unit addition to Savage Senior Living at Fen Pointe, completion of a new 150-unit senior living facility near CR42 and CR27, and beginning construction on an automotive repair facility in the same vicinity. A Holiday Truck stop has been built at the intersection of Hwy 101 and TH 13. Construction is nearly complete on a Caribou Coffee Cabin in downtown Savage – replacing a former gas station. As undeveloped land decreases and the population and traffic continue to grow, the City will see more redevelopment activity like the Caribou Coffee Cabin.

Platting activity in 2021 included an additional 19 single family lots for construction over the next few years. The redevelopment (Big Sky Estates) of the former gravel quarry site continues to see new homes being built. When complete, the development will consist of over 500 single family homes – many of these built over the next 5-10 years. The City expects to see additional residential development west of Big Sky Estates along 154th Street as older large lot developments are redeveloped.

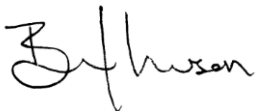
## AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Savage for its' Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This is the 24<sup>th</sup> consecutive year the City of Savage has earned this honor. To be awarded a Certificate of Achievement, the government has published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City of Savage's finances.

Respectfully submitted,



---

Brad A. Larson  
City Administrator



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Julie D. Stahl  
Finance Director

City of Savage, Minnesota  
City Directory  
For the Year Ended December 31, 2021

**CITY COUNCIL**

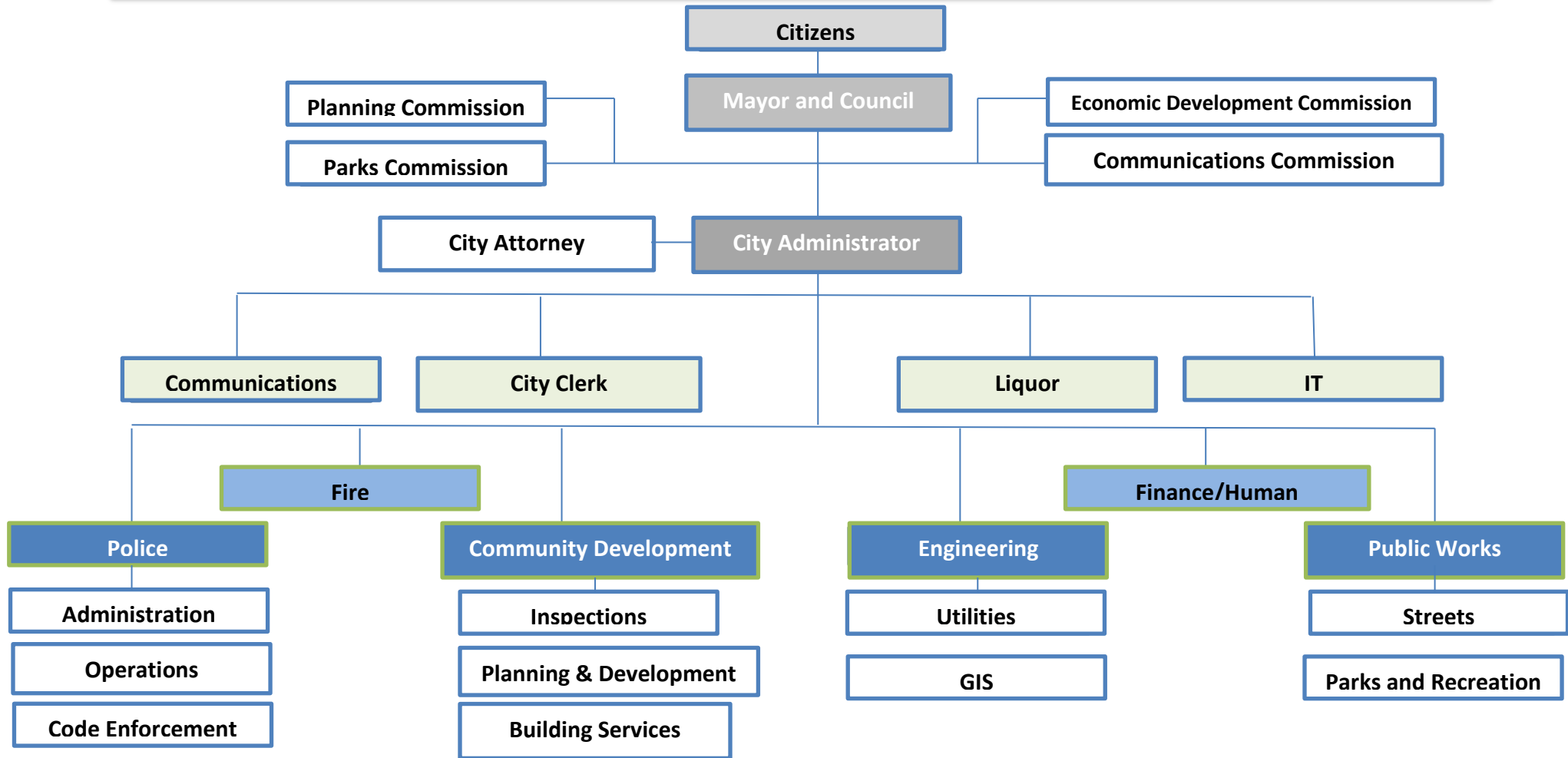
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Janet Williams	Mayor	12/31/24
Christine Kelly	Council Member	12/31/24
Gene Abbott	Council Member	12/31/22
Bob Coughlen	Council Member	12/31/22
Matt Johnson	Council Member	12/31/24

**CITY OFFICIALS**

<u>Name</u>	<u>Title</u>
Brad A. Larson	City Administrator
Seng Thongvanh	City Engineer
Rodney R. Seurer	Chief of Police
Julie D. Stahl	Finance Director
Brenda Visnovec	Liquor Facility Manager
Jeremie Bresnahan	Fire Chief
Jay M. Scherer	Chief Building Official



# CITY OF SAVAGE ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Savage  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

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FINANCIAL SECTION

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Savage, Minnesota

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Savage, Minnesota (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Management's Responsibility for the Financial Statements

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

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

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

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

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

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

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

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 and the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedules of Employer's Contributions, the related note disclosures, and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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



### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Savage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**Abdo**  
Minneapolis, Minnesota  
June 6, 2022



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## Management's Discussion and Analysis

As management of the City of Savage, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$170,693,380 (net position). Of this amount, \$28,151,805 (unrestricted *net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,978,580 over the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,683,718, a decrease of \$3,032,693 in comparison with the prior year. Approximately 74.2 percent of the ending fund balances, or \$22,755,648, is non-spendable, restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$9,110,224, or 49.5 percent of total 2021 General fund expenditures and transfers out.
- The City's total long-term bonded debt decreased \$8,073,645 (16.1 percent) during the current fiscal year. The City issued one G.O. improvement bond of \$2,800,000. The overall decrease was due to regularly scheduled debt service principal payments.

## Overview of the Financial Statements

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

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statement, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Savage.

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

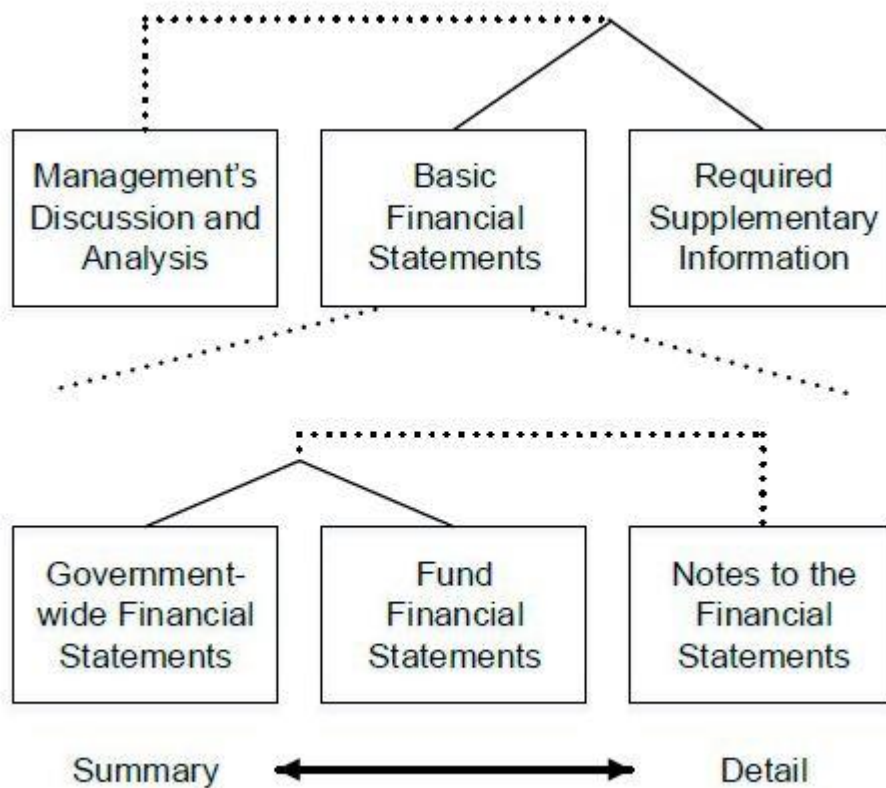




Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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

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

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

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

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

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

The government-wide financial statements start on page 39 of this report.

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

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

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

The City maintains several individual governmental funds, many of which are debt service 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, Debt Service fund, ARPA fund, Tax Increment Construction fund and Permanent Improvement Revolving fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules* elsewhere in this report.

The City adopts an annual appropriated budget for the General fund and certain Special Revenue funds; however, the City did not budget for the Strom Project fund as the only activity in this fund is interest revenue on contracts-for-deed the City has with the tenants. The City also did not budget for the ARPA fund since funding was awarded after the budget was prepared. The budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 44 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water/sewer, storm water, municipal liquor, street light utility and sports center operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for the funding of risk management to other functions of the City.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, storm water, municipal liquor, street light utility, and sports center funds all of which are considered to be major funds of the City.

The basic proprietary fund financial statements start on page 50 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 60 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 63 of this report.

**Required Supplementary Information.** In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the City of Savage's share of net pension liabilities for defined benefit plans, schedules of contribution, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 102 of this report.

**Other Information.** The combining statements and schedules referred to earlier in connection with nonmajor governmental funds and Debt Service funds are presented immediately following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 114 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$170,693,380 at the close of the most recent fiscal year.

A large portion of the City's net position (\$126,576,907 or 74.1 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Savage's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 41,368,424	\$ 44,484,093	\$ (3,115,669)	\$ 21,226,723	\$ 18,623,103	\$ 2,603,620
Capital assets	97,006,841	99,511,046	(2,504,205)	72,212,419	75,530,908	(3,318,489)
<b>Total Assets</b>	<b>138,375,265</b>	<b>143,995,139</b>	<b>(5,619,874)</b>	<b>93,439,142</b>	<b>94,154,011</b>	<b>(714,869)</b>
<b>Deferred Outflows of Resources</b>						
Deferred charge on refunding and lease revision	350,692	428,661	(77,969)	-	-	-
Deferred pension resources	7,658,524	3,674,671	3,983,853	784,340	164,854	619,486
Deferred other post employment benefit resources	273,275	165,212	108,063	65,765	39,759	26,006
<b>Total Deferred Outflows of Resources</b>	<b>8,282,491</b>	<b>4,268,544</b>	<b>4,013,947</b>	<b>850,105</b>	<b>204,613</b>	<b>645,492</b>
<b>Liabilities</b>						
Long-term liabilities outstanding	42,067,937	51,306,301	(9,238,364)	10,551,479	12,529,434	(1,977,955)
Other liabilities	6,046,178	3,413,303	2,632,875	1,004,444	1,085,778	(81,334)
<b>Total Liabilities</b>	<b>48,114,115</b>	<b>54,719,604</b>	<b>(6,605,489)</b>	<b>11,555,923</b>	<b>13,615,212</b>	<b>(2,059,289)</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - grants	-	2,630,620	(2,630,620)	-	-	-
Deferred pension resources	9,495,934	3,756,059	5,739,875	986,733	59,865	926,868
Deferred other post employment benefit resources	81,342	101,677	(20,335)	19,576	24,470	(4,894)
<b>Total Deferred Inflows of Resources</b>	<b>9,577,276</b>	<b>6,488,356</b>	<b>3,088,920</b>	<b>1,006,309</b>	<b>84,335</b>	<b>921,974</b>
<b>Net Position</b>						
Net investment in capital assets	63,409,856	59,437,507	3,972,349	63,167,051	64,851,418	(1,684,367)
Restricted	15,964,668	20,053,358	(4,088,690)	-	-	-
Unrestricted	9,591,841	7,564,858	2,026,983	18,559,964	15,807,659	2,752,305
<b>Total Net Position</b>	<b>\$ 88,966,365</b>	<b>\$ 87,055,723</b>	<b>\$ 1,910,642</b>	<b>\$ 81,727,015</b>	<b>\$ 80,659,077</b>	<b>\$ 1,067,938</b>

An additional portion of the City's net position (\$15,964,668 or 9.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, (\$28,151,805 or 16.5 percent), may be used to meet the City's ongoing obligations to citizens and creditors.

Capital assets in both governmental and business-type activities decreased during the year due to depreciation expense.

Deferred outflows of resources increased due to the change in discounts rates used in the actuarial valuation.

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

**Governmental Activities.** Governmental activities increased the City's net position by \$1,910,642. Key elements of this increase are as follows:

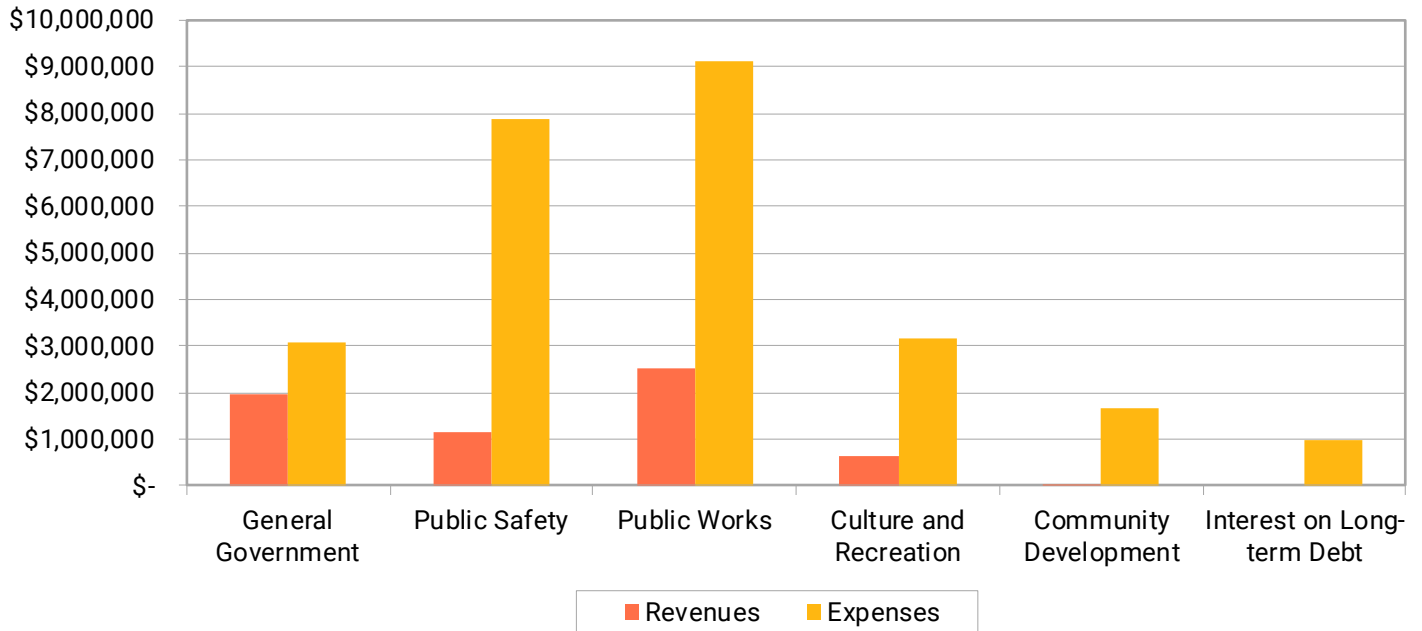
### City of Savage's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 2,637,858	\$ 2,376,604	\$ 261,254	\$ 19,953,359	\$ 19,442,755	\$ 510,604
Operating grants and contributions	1,081,974	3,117,335	(2,035,361)	40,520	6,750	33,770
Capital grants and contributions	2,544,857	2,372,021	172,836	289,921	111,395	178,526
Grants and contributions not restricted	208,620	25,537	183,083	-	-	-
General Revenues						
Property taxes/tax increments	20,321,923	19,200,562	1,121,361	52,500	-	52,500
Franchise taxes	171,492	186,966	(15,474)	-	-	-
Other	51,523	51,312	211	-	-	-
Other general revenues	246	7,741	(7,495)	-	-	-
Gain on sale of capital assets	366,719	120,231	246,488	39,001	89,710	(50,709)
Unrestricted investment earnings (loss)	(64,754)	625,413	(690,167)	(34,578)	280,293	(314,871)
Total Revenues	27,320,458	28,083,722	(763,264)	20,340,723	19,930,903	409,820
Expenses						
General government	3,088,566	3,537,333	(448,767)	-	-	-
Community development	1,659,388	1,911,812	(252,424)	-	-	-
Public safety	7,866,269	8,110,576	(244,307)	-	-	-
Public works	9,131,601	8,531,735	599,866	-	-	-
Culture and recreation	3,180,439	2,134,573	1,045,866	-	-	-
Interest on long-term debt	976,372	1,026,555	(50,183)	-	-	-
Water and sewer	-	-	-	9,889,144	9,925,292	(36,148)
Storm water	-	-	-	1,574,099	1,350,408	223,691
Liquor	-	-	-	6,457,360	6,528,974	(71,614)
Street light	-	-	-	381,322	355,911	25,411
Sports dome	-	-	-	478,041	454,691	23,350
Total Expenses	25,902,635	25,252,584	650,051	18,779,966	18,615,276	164,690
Increase (Decrease) in Net Position						
Before Transfers	1,417,823	2,831,138	(1,413,315)	1,560,757	1,315,627	245,130
Transfers	492,819	1,199,621	(706,802)	(492,819)	(1,199,621)	706,802
Change in Net Position	1,910,642	4,030,759	(2,120,117)	1,067,938	116,006	951,932
Net Position, January 1	87,055,723	83,024,964	4,030,759	80,659,077	80,543,071	116,006
Net Position, December 31	\$ 88,966,365	\$ 87,055,723	\$ 1,910,642	\$ 81,727,015	\$ 80,659,077	\$ 1,067,938

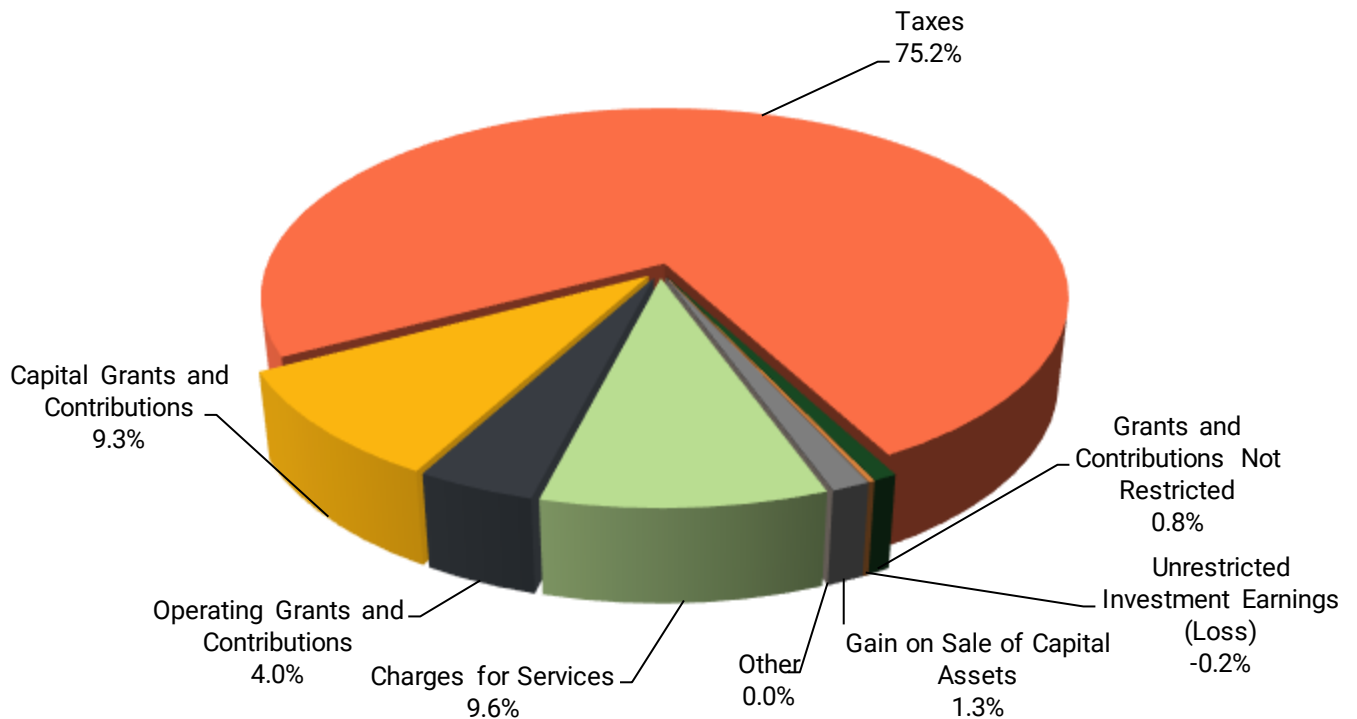
- Property taxes increased primarily due to increases tax levy.
- Operating grants and contributions decreased due to CARES Act revenue in 2020.
- Charges for services returned to steady growth after being negatively impacted as a result of COVID-19.
- Large increase in sale of capital asset revenues due to several disposals in 2021.
- Increased expenses in public works and culture and recreation, primarily due to a combination of capital projects in 2021 as well as limited expenses related to the two departments in 2020.

The following graphs depict various governmental activities and show the revenue and expenses directly related to those activities.

### Expenses and Program Revenues - Governmental Activities



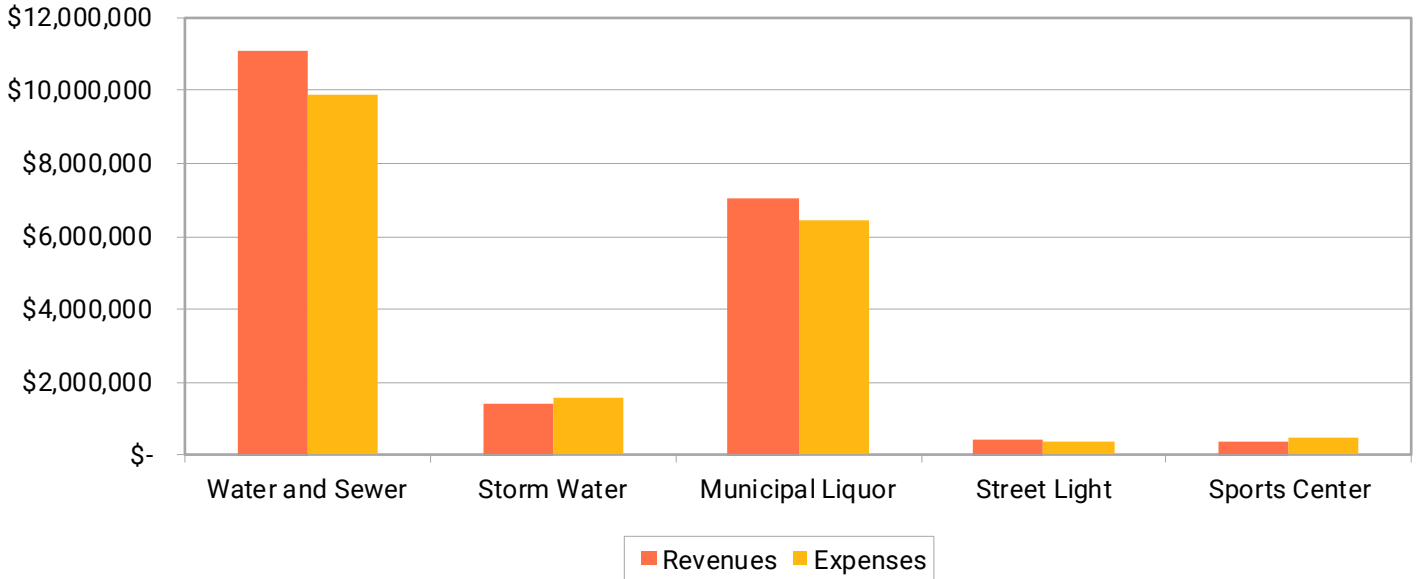
### Revenues by Source - Governmental Activities



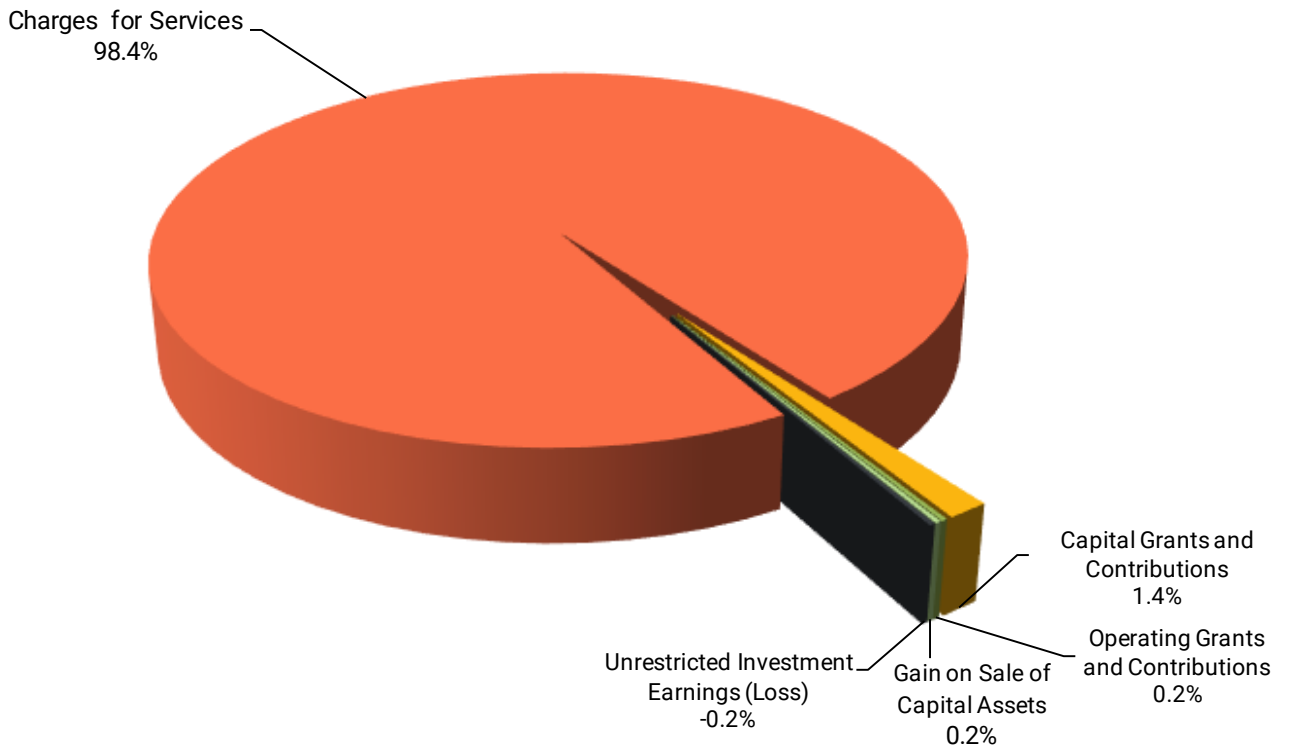
**Business-type Activities.** Business-type activities increased the City’s net position by \$1,067,938, complementing the increase in governmental activities. Key elements of this increase are as follows:

- Net operating income in four of five business-type funds were favorable, with total net operating income of \$1,378,289.

**Expenses and Program Revenues - Business - type Activities**



**Revenues by Source - Business - type Activities**



## Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,683,718, a decrease of \$3,032,693 in comparison with the prior year. Approximately 25.8 percent of this total amount, \$7,928,070, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$22,755,648) consists of the following 1) nonspendable (\$73,381), 2) restricted (\$12,655,633), 3) committed (\$2,463,735), or 4) assigned (\$7,562,899) for the purposes described in Note 3.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2021	2020	
<b>General</b>	\$ 9,460,611	\$ 9,791,322	\$ (330,711)
The General Fund had revenues over budget of approximately \$385,000 mainly due to additional revenues from charges for services and licenses and permits. There was an excess of revenues over expenditures of \$433,667, along with net transfers out of \$764,378 contributing to the net decrease in fund balance of \$330,711			
<b>Debt Service</b>	\$ 10,825,414	\$ 14,541,011	\$ (3,715,597)
The decrease in fund balance of the Debt Service funds is due to scheduled debt payments			
<b>Tax Increment Construction</b>	\$ (997,113)	(1,165,956)	\$ 168,843
The increase in fund balance of \$168,843 due to tax increment revenues in excess of developer repayments			
<b>ARPA</b>	\$ -	\$ 119	\$ (119)
The fund balance in the ARPA fund is zero because all ARPA funding received is deferred revenue until spent. As of 12/31/2021 the city has spent \$111,375 in ARPA funding			
<b>Permanent Improvement Revolving</b>	\$ (185,041)	1,914,125	\$ (2,099,166)
The fund balance decreased due to a planned transfer out into the 2020 capital projects fund			

Nonmajor Government funds have a total fund balance of \$11,579,847. The net increase in fund balance during the current year was \$2,944,057. The increase is mainly attributable to transfers.

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

Unrestricted net position of the business-type activities at the end of the year amounted to \$18,559,964. The total increase in net position for business-type activities was \$1,067,938. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.



## General Fund Budgetary Highlights

The City's General fund budget was amended during the year to account for multiple changes during the year - the net budgetary effect was no change to fund balance. Actual revenues had a positive budget variance of \$282,280, and expenditures had a positive budget variance of \$1,057,113.

- The largest budget variance for revenues was in charges for services, which was over budget by \$218,812. The positive variance is attributable to the City not knowing the extent of which they would be able to return to providing services in 2021.
- The largest budget variances for expenditures was in public works, which was under budget by \$372,423 primarily due to costs associated with capital projects.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$169,219,260 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was \$5,822,694.

Major capital asset events during the current fiscal year included:

- The 2020 Street Improvements project payments were completed in 2021 and capitalized as an asset.
- The city started the 2021 neighborhood street improvement project.
- The Hampshire Avenue Improvements were finished in 2021.

Additional information on the City's capital assets can be found in Note 3C starting on page 77 of this report.

### City of Savage's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Land	\$ 5,458,583	\$ 5,458,583	\$ -	\$ 1,661,272	\$ 1,661,272	\$ -
Right of Ways and Easements	754,344	754,344	-	-	-	-
Construction in Progress	4,681,778	3,978,985	702,793	1,510,932	1,187,531	323,401
Land Improvements	4,602,132	4,369,928	232,204	200,001	233,334	(33,333)
Buildings and Structures	21,011,746	21,418,095	(406,349)	20,842,247	21,558,999	(716,752)
Furniture and Equipment	7,666,800	7,423,559	243,241	7,678,901	7,622,843	56,058
Improvements other than Buildings	52,831,458	56,107,552	(3,276,094)	40,319,066	43,266,929	(2,947,863)
<b>Total</b>	<b>\$ 97,006,841</b>	<b>\$ 99,511,046</b>	<b>\$ (2,504,205)</b>	<b>\$ 72,212,419</b>	<b>\$ 75,530,908</b>	<b>\$ (3,318,489)</b>

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$41,953,045. The additional long-term debt is defined below related to bonded indebtedness and other long-term debt.

### City of Savage's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
General Obligation Bonds	\$ 5,630,000	\$ 7,170,000	\$ (1,540,000)	\$ -	\$ -	\$ -
Unamortized Discount and Premium	1,827,677	1,764,000	63,677	295,368	342,690	(47,322)
General Obligation Special Assessment Improvement Bonds	25,450,000	30,413,200	(4,963,200)	-	-	-
General Obligation Revenue Bonds Revenue Bonds	-	-	-	8,750,000	10,336,800	(1,586,800)
<b>Total</b>	<u>\$ 32,907,677</u>	<u>\$ 39,347,200</u>	<u>\$ (6,439,523)</u>	<u>\$ 9,045,368</u>	<u>\$ 10,679,490</u>	<u>\$ (1,634,122)</u>

The City's total bonded long-term debt decreased \$8,073,645 (19.24%) during the current fiscal year. The City issued one G.O. Improvement bond in the amount of \$2,800,000. Offsetting this increase were regularly scheduled debt service principal payments of \$10,890,000.

The City obtained a "AAA" rating from Standard and Poor's for general obligation debt. Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. As of December 31, 2021, the City is under the legal debt margin.

Additional information on the City's long-term debt can be found in Note 3E starting on page 80 of this report.

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

The following are key economic factors for the City of Savage. These factors were considered when preparing the budget for fiscal year ending December 31, 2022.

- Growth in the city's tax base is expected to continue into 2022 in both residential and commercial sectors. The City's tax base grew 7.5% between 2021 and 2022. Preliminary valuation information from Scott County shows Savage's net tax capacity growth for taxes payable in 2023 at 19.7% from 2022 actual valuations.
- Water and sewer rates increased 1.5% in 2020, 1.5% in 2021 and 1.5% in 2022.
- Storm water rates have not increased since the 5% increase in 2009.
- Street light rates have not increased since the 5% increase in 2009.
- The General Fund 2022 budget shows no reliance on fund balance to balance the budget - this is the seventh year in a row.
- Due to continued recovery (from the 2008 Great Recession) in the assessed property values and overall change in the city's tax base, the adjusted net tax base capacity increased 6.6% from 2021 to 2022.
- Adherence to fiscally responsible spending allowed the city to weather the economic downturn that began with the Great Recession of 2008. Cost savings measures implemented beginning in 2009, combined with a conservative approach to spending in 2021, resulted in a positive yearend fund balance carry over. The Coronavirus (COVID-19) pandemic in 2020 brought many challenges and obstacles to normal operations and many initiatives were either canceled or delayed. A great deal of staff time was devoted to mitigating and responding to the pandemic and the state mandates surrounding it. Many of the purchases and/or plans that were delayed in 2020 proceeded in 2021 utilizing the 2020 yearend designated fund balance. The remaining appropriated General Fund balance continues to put the city in a positive position preparing for the 2023 budgeting process. The city's 2021 yearend Unassigned General Fund balance reserve was maintained at 50% of the projected 2022 General Fund budget expenditures. The \$255K of Assigned fund balance is earmarked for city facilities' maintenance needs (\$180K), staff trainings (\$50K), and police forfeitures (\$25K) spending.

## Economic Factors and Next Year's Budgets and Rates (Continued)

- The Coronavirus officially appeared in the United States in January of 2020. The MN Governor declared an Emergency Order in March when the first confirmed case hit Minnesota. City employees were called upon to respond quickly and unequivocally - adjusting how essential service was provided to residents. Management staff met weekly to plan strategies and responses to the pandemic. The major impacts to the 2020 General fund operations due to the COVID-19 pandemic were most strongly felt in the city's public safety divisions. They were most at risk due to their proximity and contact with the public. Ever since its inception, the city's fire department has been a paid-on-call model. Although the city was anticipating a transition to a combination duty-crew and fulltime fire staffing model in the next few years, the pandemic necessitated an immediate change for staff to respond to emergency calls effectively. The fire department had better access to personal protective equipment (PPE) and possessed the necessary training to respond to emergency calls that the police department did not in the first few months of the pandemic. The biggest challenge for the fire department was that the one of the two fire stations that could be structured and equipped for the staffing quarters and remote-training capabilities needed a great deal of maintenance and/or upgrades to do so. With the support of council, staff made the necessary upgrades to the O'Connell fire station to accommodate the duty crews and training needs. Council and staff were confident that the health and stability of our city's finances could withstand these additional costs if emergency funding would not cover them.
- Over three months after MN Governor Walz' mandated the closing of all non-essential businesses, he announced on June 25, 2020, that \$841.4 million of the state's share of Federal CARES (Coronavirus Aid, Relief and Economic Security) Act funds would be distributed to local governments that have eligible costs related to the COVID-19 pandemic. The city received \$2.3M of these federal funds based on the per capita calculation. The US Treasury's guidance on what costs qualified for these funds was vague and changed several times between April (when the first guidance was issued) and October of 2020. Once the city received the Coronavirus Relief Fund (CRF) federal funds, a new special revenue fund was created to track the expenditures. Qualifying costs incurred before the separate fund was established were identified and transferred to the new fund.
- A large driver of the increase in the 2022 General fund budget is a full year of the cost increases to the duty crew/fulltime staffing model for the fire department. With the pandemic prompting this direction, and the upgrades and code-compliant improvements at the O'Connell fire station now in place, management staff budgeted and planned for the staffing model change. To minimize the property tax impact to citizens and to prepare new fire staff for the transition, staff planned a tiered implementation schedule in 2021. The 2022 budget incorporated a full year of the new model, with additional full-time positions anticipated to occur in 2023.
- In 2013, the city was named as one of the top 50 small towns in America by Money Magazine. At a ranking of No. 21, the city was recognized for its quaint downtown, low crime rates, job growth and investment in a \$5 million indoor sports facility that opened in the fall of 2012. The pandemic restrictions enacted through the MN governors' mandates in 2020 negatively impacted the Savage Sports Center a great deal. An additional \$100K transfer-in was needed in 2020 to cover lost revenues due to the pandemic-induced closures. Staff budgeted conservatively for 2021 since it was unknown if/when the state mandates surrounding the pandemic would be lifted. The governors' restrictions were relaxed in the fall of 2021 and the Sports Center was able to host much of the 4Q 2021 field rentals. The revenues rebounded enough such that the fund only needed \$250K of the budgeted \$350K support from the Community Investment fund.
- Post-recession, the State of Minnesota (the "State") had one of the lowest unemployment rates in the country and Scott County had the lowest unemployment rate in the State. However, in 2020, unemployment rose higher in three months of COVID-19 than it did in two years of the Great Recession of 2008. The US unemployment rate peaked at an unprecedented level, not seen since data collection started in 1948, in April 2020 (14.8%) before declining to a still-elevated level in December 2020 (6.7%). Minnesota ranked the 16<sup>th</sup> lowest in the U.S. with an unemployment rate of 6.2% on December 31, 2020. Scott County's annual average unemployment rate in 2020 was 5.6% - compared to 2.5% in 2019. Unemployment rates continued to decline throughout 2021 - the US Unemployment rate was 3.8% on December 31, 2021, Scott County's was 2.3%, and the City of Savage's rate was 2.0 %.
- In the 2021 assessment (2022 collection) year, the city's net tax capacity increased by 6.6%. This is the ninth year in a row that tax capacity increased after four consecutive years of tax capacity declines. Home foreclosures dropped to levels experienced prior to the recession. Foreclosure activity has, for all intents and purposes, ground to a halt due to moratoria put in place by the federal, state, and local governments and the mortgage forbearance program initiated by the CARES Act in 2020. Minnesota ranked 40<sup>th</sup> in the U.S. for foreclosures, with only 162 properties with filings in 3Q 2020 - down 91% from its' pre-recession average of 1,854 filings. Residential home sales of existing owner-occupied units continue to be in high demand due to the City's quality of living.

## **Economic Factors and Next Year's Budgets and Rates (Continued)**

- From 2011 through 2021 the city realized a significant rebound in residential development. The overall population of Savage in 2019 was 32,245. The City of Savage recorded its highest total value of building permits pulled in 2019. The aggregate amount was \$142 million dollars – surpassing the record aggregate amount of \$98 million in 2018. The COVID-19 pandemic in 2020 paused both new commercial and new residential development. However, the building inspection department remained extremely busy with the amount of residential alteration permits that occurred throughout the year. New development and redevelopment activity started to resume somewhat in 2021 - which is important for a community approaching full build out. The supply chain disruptions and inflation factors have somewhat hindered the construction activity. The city's taxable market value increased over 7.7% on average for the past five years. Based on the platted lots and plans the city is in the process of reviewing, this number is expected to continue to be strong in the near future.
- The city was hopeful that 2021 would be a strong year for residential development in Savage. The arrival of the COVID-19 pandemic in early 2020 introduced uncertainty on how the development played out. New units in 2021 and 2020 were down compared to 2019, but residential additions and alterations were still strong – just under the 2019 permit revenues. The pandemic slowed new residential construction in 2020, and inflation and supply chain disruptions in 2021 slowed even the residential alterations activity. New single-family housing construction values are generally more than \$500,000. Despite these factors, the city added 66 single family homes, 6 twin-homes, a 10-unit townhome and an 8-unit townhome in 2021. Platting activity in 2021 included an additional 19 single family lots for construction over the next few years.
- While available commercially zoned land is becoming less available, the city continues to see steady new development and redevelopment. In 2022, the city expects to see MN Mash which is a 6,700 sq ft private baseball and training center, begin development off of CR 16. This is an 11- acre development that will bring utilities and road access into additionally zoned commercial property creating more opportunities for development in the area. In 2022, the city expects to see a 28-unit addition to Savage Senior Living at Fen Pointe completed, a new 150-unit senior living facility near CR42 and CR27 begin construction, and an automotive repair facility in the same vicinity. A Holiday Truck stop is being built at the intersection of Hwy 101 and TH 13. A former gas station in downtown is being redeveloped into a Caribou Coffee Cabin. We believe as undeveloped land decreases and the population and traffic continue to increase, Savage will see more redevelopment activity like the Caribou Cabin.
- Development in Savage will not stop once we reach full build out. Instead, the city will see more redevelopment and needs to plan for what that will look like. With this in mind, the city has been working with the Minnesota Department of Transportation on improvements to the Trunk Highway 13 Corridor that goes across north Savage and connects the south metro from east to west. The City Council recently approved funding for a neighborhood plan that will contemplate how properties along the busy TH 13 will redevelop in the future

All these factors were considered in preparing the City's budget for the 2022 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City Hall, 6000 McColl Drive, Savage, Minnesota 55378.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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City of Savage, Minnesota  
Statement of Net Position  
December 31, 2021

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 36,352,786	\$ 17,554,696	\$ 53,907,482
Restricted cash	24,028	-	24,028
Receivables			
Accounts	140,173	1,849,549	1,989,722
Accrued interest	78,159	-	78,159
Taxes	125,624	-	125,624
Special assessments	3,825,541	266,772	4,092,313
Notes	624,820	294,220	919,040
Due from other governments	9,363	-	9,363
Internal balances	(143,040)	143,040	-
Inventories	8,216	975,980	984,196
Prepaid items	65,165	10,436	75,601
Assets held for resale	257,589	132,030	389,619
Capital assets			
Land and construction in progress	10,894,705	3,172,204	14,066,909
Depreciable assets (net of accumulated depreciation)	86,112,136	69,040,215	155,152,351
Total Assets	<u>138,375,265</u>	<u>93,439,142</u>	<u>231,814,407</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding and lease revision	350,692	-	350,692
Deferred pension resources	7,658,524	784,340	8,442,864
Deferred other postemployment benefit resources	273,275	65,765	339,040
Total Deferred Outflows of Resources	<u>8,282,491</u>	<u>850,105</u>	<u>9,132,596</u>
<b>Liabilities</b>			
Accounts and contracts payable	906,273	579,570	1,485,843
Accrued salaries and withholdings payable	100,503	13,406	113,909
Accrued interest payable	418,476	96,895	515,371
Due to other governments	25,179	122,662	147,841
Deposits payable	1,593,474	126,377	1,719,851
Unearned revenue	3,002,273	65,534	3,067,807
Noncurrent liabilities			
Due within one year			
Long-term liabilities	6,033,007	1,471,951	7,504,958
Due in more than one year			
Long-term liabilities	29,410,460	7,820,368	37,230,828
Other postemployment benefits liability	770,597	185,451	956,048
Net pension liability	5,853,873	1,073,709	6,927,582
Total Liabilities	<u>48,114,115</u>	<u>11,555,923</u>	<u>59,670,038</u>
<b>Deferred Inflows of Resources</b>			
Deferred pension resources	9,495,934	986,733	10,482,667
Deferred other postemployment benefit resources	81,342	19,576	100,918
Total Deferred Inflows of Resources	<u>9,577,276</u>	<u>1,006,309</u>	<u>10,583,585</u>
<b>Net Position</b>			
Net investment in capital assets	63,409,856	63,167,051	126,576,907
Restricted for			
Park improvements	1,806,191	-	1,806,191
Public safety	24,028	-	24,028
Debt service	14,134,449	-	14,134,449
Unrestricted	<u>9,591,841</u>	<u>18,559,964</u>	<u>28,151,805</u>
Total Net Position	<u>\$ 88,966,365</u>	<u>\$ 81,727,015</u>	<u>\$ 170,693,380</u>

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

City of Savage, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 3,088,566	\$ 1,855,210	\$ 82,544	\$ 15,379
Community development	1,659,388	21,286	-	-
Public safety	7,866,269	139,298	991,635	-
Public works	9,131,601	27,913	-	2,499,759
Culture and recreation	3,180,439	594,151	7,795	29,719
Interest on long-term debt	976,372	-	-	-
Total Governmental Activities	<u>25,902,635</u>	<u>2,637,858</u>	<u>1,081,974</u>	<u>2,544,857</u>
<b>Business-type Activities</b>				
Water and sewer	9,889,144	10,769,609	4,443	289,921
Storm water	1,574,099	1,398,959	20,239	-
Municipal liquor	6,457,360	7,024,361	12,279	-
Street light	381,322	394,568	-	-
Sports center	478,041	365,862	3,559	-
Total Business-type Activities	<u>18,779,966</u>	<u>19,953,359</u>	<u>40,520</u>	<u>289,921</u>
Total Governmental and Business-type Activities	<u>\$ 44,682,601</u>	<u>\$ 22,591,217</u>	<u>\$ 1,122,494</u>	<u>\$ 2,834,778</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Franchise taxes

Other taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings (loss)

Other general revenues

Gain on sale of capital assets

Transfers - Internal Activities

Total General Revenues and Transfers

Change in Net Position

Net Position - January 1

Net Position - December 31

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



Net (Expenses) Revenues and  
Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (1,135,433)	\$ -	\$ (1,135,433)
(1,638,102)	-	(1,638,102)
(6,735,336)	-	(6,735,336)
(6,603,929)	-	(6,603,929)
(2,548,774)	-	(2,548,774)
(976,372)	-	(976,372)
<u>(19,637,946)</u>	<u>-</u>	<u>(19,637,946)</u>
-	1,174,829	1,174,829
-	(154,901)	(154,901)
-	579,280	579,280
-	13,246	13,246
-	(108,620)	(108,620)
<u>-</u>	<u>1,503,834</u>	<u>1,503,834</u>
<u>(19,637,946)</u>	<u>1,503,834</u>	<u>(18,134,112)</u>
14,926,739	-	14,926,739
4,736,833	52,500	4,789,333
658,351	-	658,351
171,492	-	171,492
51,523	-	51,523
208,620	-	208,620
(64,754)	(34,578)	(99,332)
246	-	246
366,719	39,001	405,720
492,819	(492,819)	-
<u>21,548,588</u>	<u>(435,896)</u>	<u>21,112,692</u>
1,910,642	1,067,938	2,978,580
<u>87,055,723</u>	<u>80,659,077</u>	<u>167,714,800</u>
<u>\$ 88,966,365</u>	<u>\$ 81,727,015</u>	<u>\$ 170,693,380</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

City of Savage, Minnesota

Balance Sheet  
Governmental Funds  
December 31, 2021

	General	Debt Service	ARPA	Tax Increment Construction
<b>Assets</b>				
Cash and investments	\$ 11,392,160	\$ 10,820,010	\$ 1,674,479	\$ 311,940
Restricted cash	24,028	-	-	-
Receivables				
Accrued interest	78,159	-	-	-
Accounts receivable	56,803	-	-	-
Taxes	122,480	1,854	-	1,290
Special assessments	1,393	3,731,061	-	-
Notes	-	-	-	-
Due from other governments	9,363	-	-	-
Due from other funds	-	-	-	-
Inventories	8,216	-	-	-
Prepaid items	63,311	-	-	-
Assets held for resale	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 11,755,913</u>	<u>\$ 14,552,925</u>	<u>\$ 1,674,479</u>	<u>\$ 313,230</u>
<b>Liabilities</b>				
Accounts payable	\$ 497,008	\$ -	\$ 21,188	\$ 12,303
Accrued salaries and withholdings payable	98,883	-	-	-
Contracts payable	-	-	-	-
Due to other governments	25,179	-	-	-
Due to other funds	-	-	-	1,298,040
Deposits payable	1,580,222	-	-	-
Unearned revenue	9,525	-	1,653,291	-
Total Liabilities	<u>2,210,817</u>	<u>                    </u>	<u>1,674,479</u>	<u>1,310,343</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - property taxes	83,092	1,307	-	-
Unavailable revenue - interest	-	-	-	-
Unavailable revenue - special assessments	1,393	3,726,204	-	-
Total Deferred Inflows of Resources	<u>84,485</u>	<u>3,727,511</u>	<u>                    </u>	<u>                    </u>
<b>Fund Balances</b>				
Nonspendable	71,527	-	-	-
Restricted	24,028	10,825,414	-	-
Committed	-	-	-	-
Assigned	254,832	-	-	-
Unassigned	9,110,224	-	-	(997,113)
Total Fund Balances	<u>9,460,611</u>	<u>10,825,414</u>	<u>                    </u>	<u>(997,113)</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,755,913</u>	<u>\$ 14,552,925</u>	<u>\$ 1,674,479</u>	<u>\$ 313,230</u>

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

Permanent Improvement Revolving	Other Governmental Funds	Total
\$ 1,203,008	\$ 9,795,328	\$ 35,196,925
-	-	24,028
-	-	78,159
-	83,370	140,173
-	-	125,624
93,087	-	3,825,541
-	624,820	624,820
-	-	9,363
-	1,155,000	1,155,000
-	-	8,216
-	1,854	65,165
-	257,589	257,589
<u>\$ 1,296,095</u>	<u>\$ 11,917,961</u>	<u>\$ 41,510,603</u>
\$ 8,455	\$ 277,591	\$ 816,545
40,137	1,620	100,503
-	13,354	53,491
-	-	25,179
-	-	1,298,040
-	13,252	1,593,474
-	-	1,662,816
<u>48,592</u>	<u>305,817</u>	<u>5,550,048</u>
1,339,457	-	1,339,457
-	-	84,399
-	32,297	32,297
93,087	-	3,820,684
<u>1,432,544</u>	<u>32,297</u>	<u>5,276,837</u>
-	1,854	73,381
-	1,806,191	12,655,633
-	2,463,735	2,463,735
-	7,308,067	7,562,899
(185,041)	-	7,928,070
<u>(185,041)</u>	<u>11,579,847</u>	<u>30,683,718</u>
<u>\$ 1,296,095</u>	<u>\$ 11,917,961</u>	<u>\$ 41,510,603</u>

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

City of Savage, Minnesota  
Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
December 31, 2021

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

Total Fund Balances - Governmental	\$ 30,683,718
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	223,514,252
Less accumulated depreciation	(126,507,411)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Bonds payable	(31,080,000)
Unamortized bond premium and discount	(1,827,677)
Capital lease payable	(1,040,000)
Deferred charge on lease revision	66,300
Deferred charge on refunding	284,392
Compensated absences payable	(1,495,790)
Net pension liability	(5,853,873)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	
Property taxes	84,399
Special assessments	3,820,684
Interest on loans	32,297
Governmental fund do not report a liability for accrued interest until due and payable.	(418,476)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	7,658,524
Deferred inflows of pension resources	(9,495,934)
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities are included in the governmental statement of net position.	
	540,960
Total Net Position - Governmental Activities	\$ 88,966,365

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

City of Savage, Minnesota  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

	General	Debt Service	ARPA	Tax Increment Construction	Permanent Improvement Revolving	Other Governmental Funds	Total
<b>Revenues</b>							
Taxes	\$ 14,931,368	\$ 4,736,833	\$ -	\$ 658,351	\$ -	\$ 202,695	\$ 20,529,247
Licenses and permits	775,945	-	-	-	-	-	775,945
Intergovernmental	806,278	-	115,005	-	1,056,805	426,872	2,404,960
Charges for services	956,362	-	-	-	-	-	956,362
Fines and forfeits	123,445	-	-	-	-	-	123,445
Special assessments	1,205	1,091,257	-	-	16,414	-	1,108,876
Investment earnings (loss)	(19,261)	(21,543)	(3,630)	(339)	(2,398)	(15,309)	(62,480)
Miscellaneous	216,087	-	-	-	-	841,231	1,057,318
<b>Total Revenues</b>	<b>17,791,429</b>	<b>5,806,547</b>	<b>111,375</b>	<b>658,012</b>	<b>1,070,821</b>	<b>1,455,489</b>	<b>26,893,673</b>
<b>Expenditures</b>							
<b>Current</b>							
General government	2,703,243	-	25,935	-	-	376,827	3,106,005
Community development	1,119,147	-	-	-	-	1,648	1,120,795
Public safety	8,467,647	-	1,772	-	-	-	8,469,419
Public works	2,690,402	-	83,668	-	-	2,306	2,776,376
Culture and recreation	2,184,313	-	-	-	-	29,995	2,214,308
<b>Capital outlay</b>							
General government	-	-	-	-	-	371,939	371,939
Community development	-	-	-	488,419	-	-	488,419
Public safety	166,692	-	-	-	-	242,718	409,410
Public works	26,318	-	-	-	725,527	2,234,120	2,985,965
Culture and recreation	-	-	-	-	-	2,061,506	2,061,506
<b>Debt service</b>							
Principal	-	9,418,200	-	-	-	-	9,418,200
Interest and other charges	-	1,053,236	-	750	-	175,789	1,229,775
<b>Total Expenditures</b>	<b>17,357,762</b>	<b>10,471,436</b>	<b>111,375</b>	<b>489,169</b>	<b>725,527</b>	<b>5,496,848</b>	<b>34,652,117</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>433,667</b>	<b>(4,664,889)</b>	<b>-</b>	<b>168,843</b>	<b>345,294</b>	<b>(4,041,359)</b>	<b>(7,758,444)</b>
<b>Other Financing Sources (Uses)</b>							
Sale of capital assets	-	-	-	-	-	366,719	366,719
Transfers in	290,419	1,191,562	-	-	-	4,942,229	6,424,210
Bonds issued	-	-	-	-	-	2,800,000	2,800,000
Premiums on bonds issued	-	55,188	-	-	-	280,573	335,761
Transfers out	(1,054,797)	(297,458)	(119)	-	(2,444,460)	(1,404,105)	(5,200,939)
<b>Total Other Financing Sources (Uses)</b>	<b>(764,378)</b>	<b>949,292</b>	<b>(119)</b>	<b>-</b>	<b>(2,444,460)</b>	<b>6,985,416</b>	<b>4,725,751</b>
<b>Net Changes in Fund Balances</b>	<b>(330,711)</b>	<b>(3,715,597)</b>	<b>(119)</b>	<b>168,843</b>	<b>(2,099,166)</b>	<b>2,944,057</b>	<b>(3,032,693)</b>
<b>Fund Balances, January 1</b>	<b>9,791,322</b>	<b>14,541,011</b>	<b>119</b>	<b>(1,165,956)</b>	<b>1,914,125</b>	<b>8,635,790</b>	<b>33,716,411</b>
<b>Fund Balances, December 31</b>	<b>\$ 9,460,611</b>	<b>\$ 10,825,414</b>	<b>\$ -</b>	<b>\$ (997,113)</b>	<b>\$ (185,041)</b>	<b>\$ 11,579,847</b>	<b>\$ 30,683,718</b>

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

City of Savage, Minnesota  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Governmental Funds  
For the Year Ended December 31, 2021

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (3,032,693)
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Depreciation	(7,210,611)
Capital outlay	5,555,802
Loss on disposal	(159,246)
<p>Governmental funds report projects in capital project funds. Some of the capital assets constructed in the project will be maintained in business-type activity funds. The assets are reported as a transfer from the government-activities to the business-type activities</p>	
	(690,152)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds are reported with governmental activities.</p>	
Investment earnings	(2,274)
Consolidation of internal service fund activities with governmental activities	(166,224)
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Property taxes	15,691
Special assessments	(15,341)
Interest on loans	7,000
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are delayed and amortized in the statement of activities.</p>	
Debt issued	(2,800,000)
Debt issuance discounts amortization	272,084
Principal repayments	9,303,200
Capital lease repayments	115,000
Amortization of deferred charges on refunding	(77,969)
Premium on bonds issued and lease revision	(335,761)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	1,121,991
Pension revenue from state contributions	54,990
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditures in the funds when it is due, and this requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	59,288
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(104,133)
Change in Net Position - Governmental Activities	\$ 1,910,642

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



City of Savage, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 15,025,431	\$ 15,025,431	\$ 14,931,368	\$ (94,063)
Licenses and permits	609,600	609,600	775,945	166,345
Intergovernmental	606,809	797,909	806,278	8,369
Charges for services	737,550	737,550	956,362	218,812
Fines and forfeits	40,000	40,000	123,445	83,445
Special assessments	-	-	1,205	1,205
Investment earnings (loss)	100,000	100,000	(19,261)	(119,261)
Miscellaneous	100,000	198,659	216,087	17,428
Total Revenues	<u>17,219,390</u>	<u>17,509,149</u>	<u>17,791,429</u>	<u>282,280</u>
Expenditures				
Current				
General government	2,795,329	2,934,756	2,703,243	231,513
Community development	1,157,228	1,181,000	1,119,147	61,853
Public safety	8,354,774	8,835,187	8,467,647	367,540
Public works	3,005,016	3,062,825	2,690,402	372,423
Culture and recreation	2,127,043	2,196,278	2,184,313	11,965
Capital outlay				
Public safety	30,000	192,419	166,692	25,727
Public works	-	12,410	26,318	(13,908)
Total Expenditures	<u>17,469,390</u>	<u>18,414,875</u>	<u>17,357,762</u>	<u>1,057,113</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(250,000)</u>	<u>(905,726)</u>	<u>433,667</u>	<u>1,339,393</u>
Other Financing Sources (Uses)				
Transfers in	250,000	290,300	290,419	119
Transfers out	-	(54,797)	(1,054,797)	(1,000,000)
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>235,503</u>	<u>(764,378)</u>	<u>(999,881)</u>
Net Change in Fund Balances	-	(670,223)	(330,711)	339,512
Fund Balances, January 1	<u>9,791,322</u>	<u>9,791,322</u>	<u>9,791,322</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 9,791,322</u>	<u>\$ 9,121,099</u>	<u>\$ 9,460,611</u>	<u>\$ 339,512</u>

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

City of Savage, Minnesota  
Statement of Net Position  
Proprietary Funds  
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Assets			
Current Assets			
Cash and investments	\$ 10,222,571	\$ 6,198,153	\$ 839,561
Receivables			
Accounts	1,435,351	270,966	-
Notes	-	-	294,220
Special assessments - delinquent	21,537	-	-
Due from other funds	143,040	-	-
Inventories	-	-	975,980
Prepaid items	10,436	-	-
Assets held for resale	-	132,030	-
Total Current Assets	<u>11,832,935</u>	<u>6,601,149</u>	<u>2,109,761</u>
Noncurrent Assets			
Special assessments receivable	<u>245,235</u>	-	-
Capital assets			
Land	1,371,272	-	290,000
Land Improvements	703,205	-	52,549
Buildings and structures	27,507,176	-	1,642,379
Machinery and equipment	10,731,181	473,076	145,553
Improvements other than buildings	98,765,508	28,456,329	-
Construction in progress	983,554	495,395	-
Total Capital Assets	<u>140,061,896</u>	<u>29,424,800</u>	<u>2,130,481</u>
Less Accumulated Depreciation	<u>(86,146,043)</u>	<u>(16,891,870)</u>	<u>(908,244)</u>
Net Capital Assets	<u>53,915,853</u>	<u>12,532,930</u>	<u>1,222,237</u>
Total Noncurrent Assets	<u>54,161,088</u>	<u>12,532,930</u>	<u>1,222,237</u>
Total Assets	<u>65,994,023</u>	<u>19,134,079</u>	<u>3,331,998</u>
Deferred Outflows of Resources			
Deferred pension resources	481,413	70,976	214,341
Deferred other postemployment benefit resources	39,030	6,359	17,652
	<u>520,443</u>	<u>77,335</u>	<u>231,993</u>

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

Business-Type Activities - Enterprise Funds			Governmental
603	650	Totals	Activities -
Street Light Utility	Sports Center		Internal
			Service Funds
\$ 294,344	\$ 67	\$ 17,554,696	\$ 1,155,861
73,444	69,788	1,849,549	-
-	-	294,220	-
-	-	21,537	-
-	-	143,040	-
-	-	975,980	-
-	-	10,436	-
-	-	132,030	-
<u>367,788</u>	<u>69,855</u>	<u>20,981,488</u>	<u>1,155,861</u>
-	-	245,235	-
-	-	1,661,272	-
-	500,000	1,255,754	-
1,204,554	4,256,087	34,610,196	-
-	94,520	11,444,330	-
-	-	127,221,837	-
31,983	-	1,510,932	-
<u>1,236,537</u>	<u>4,850,607</u>	<u>177,704,321</u>	<u>-</u>
<u>(458,936)</u>	<u>(1,086,809)</u>	<u>(105,491,902)</u>	<u>-</u>
<u>777,601</u>	<u>3,763,798</u>	<u>72,212,419</u>	<u>-</u>
<u>777,601</u>	<u>3,763,798</u>	<u>72,457,654</u>	<u>-</u>
<u>1,145,389</u>	<u>3,833,653</u>	<u>93,439,142</u>	<u>1,155,861</u>
-	17,610	784,340	-
-	2,724	65,765	273,275
-	<u>20,334</u>	<u>850,105</u>	<u>273,275</u>

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

City of Savage, Minnesota  
Statement of Net Position (Continued)  
Proprietary Funds  
December 31, 2021

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 127,631	\$ 45,938	\$ 328,403
Accrued salaries and withholdings payable	8,487	1,157	3,350
Contracts payable	3,497	-	-
Due to other governments	49,995	-	72,667
Accrued interest payable	72,558	-	-
Deposits payable	75,633	50,744	-
Unearned revenue	-	-	4,128
Bonds payable - current	895,000	-	-
Compensated absences payable - current	193,368	18,769	25,257
<b>Total Current Liabilities</b>	<u>1,426,169</u>	<u>116,608</u>	<u>433,805</u>
<b>Noncurrent Liabilities</b>			
Bonds payable	5,623,662	-	-
Net pension liability	659,022	97,161	293,419
Other postemployment benefits payable	110,060	17,931	49,777
<b>Total Noncurrent Liabilities</b>	<u>6,392,744</u>	<u>115,092</u>	<u>343,196</u>
<b>Total Liabilities</b>	<u>7,818,913</u>	<u>231,700</u>	<u>777,001</u>
<b>Deferred Inflows of Resources</b>			
Deferred pension resources	605,638	89,291	269,650
Deferred other postemployment benefit resources	11,618	1,893	5,254
<b>Total Deferred Outflows of Pension Resources</b>	<u>617,256</u>	<u>91,184</u>	<u>274,904</u>
<b>Net Position</b>			
Net investment in capital assets	47,397,191	12,532,930	1,222,237
Unrestricted	10,681,106	6,355,600	1,289,849
<b>Total Net Position</b>	<u>\$ 58,078,297</u>	<u>\$ 18,888,530</u>	<u>\$ 2,512,086</u>

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

<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
<u>603</u>	<u>650</u>		<u>Activities -</u>
<u>Street Light Utility</u>	<u>Sports Center</u>	<u>Totals</u>	<u>Internal</u>
			<u>Service Funds</u>
\$ 27,945	\$ 46,156	\$ 576,073	\$ 36,237
-	412	13,406	-
-	-	3,497	-
-	-	122,662	-
-	24,337	96,895	-
-	-	126,377	-
-	61,406	65,534	-
-	330,000	1,225,000	-
-	9,557	246,951	-
<u>27,945</u>	<u>471,868</u>	<u>2,476,395</u>	<u>36,237</u>
-	2,196,706	7,820,368	-
-	24,107	1,073,709	-
-	7,683	185,451	770,597
<u>-</u>	<u>2,228,496</u>	<u>9,079,528</u>	<u>770,597</u>
<u>27,945</u>	<u>2,700,364</u>	<u>11,555,923</u>	<u>806,834</u>
-	22,154	986,733	-
-	811	19,576	81,342
<u>-</u>	<u>22,965</u>	<u>1,006,309</u>	<u>81,342</u>
777,601	1,237,092	63,167,051	-
339,843	(106,434)	18,559,964	540,960
<u>\$ 1,117,444</u>	<u>\$ 1,130,658</u>	<u>\$ 81,727,015</u>	<u>\$ 540,960</u>

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

City of Savage, Minnesota  
Statement of Revenues, Expenses and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Operating Revenues			
Sales	\$ -	\$ -	\$ 6,927,786
Cost of sales	-	-	(4,993,255)
Gross Profit	-	-	1,934,531
Charges for services	10,319,576	1,394,959	-
Special assessments	152,362	-	-
Other revenue	300,014	4,239	97,298
Total Operating Revenues	<u>10,771,952</u>	<u>1,399,198</u>	<u>2,031,829</u>
Operating Expenses			
Personnel services	1,434,434	217,486	718,913
Professional services	1,502,917	87,058	312,659
Shop supplies	300,791	-	-
Sewer charges - MCES	1,967,626	-	-
Utilities	365,299	-	65,524
Depreciation	3,736,739	919,442	44,452
Repairs and maintenance	235,660	328,626	144,048
Rent	383	-	145,749
Postage	43,850	6,751	-
Telephone	15,968	-	-
Insurance	34,152	240	13,776
Office and other supplies	101,319	10,948	18,984
Miscellaneous	-	3,548	-
Total Operating Expenses	<u>9,739,138</u>	<u>1,574,099</u>	<u>1,464,105</u>
Operating Income (Loss)	<u>1,032,814</u>	<u>(174,901)</u>	<u>567,724</u>
Nonoperating Revenues (Expenses)			
Property taxes	-	-	-
Intergovernmental	-	20,000	-
Investment earnings (loss)	(21,407)	(11,610)	(975)
Interest and other charges	(141,821)	-	-
Gain on disposal of capital assets	39,001	-	-
Loss on disposal of capital assets	(8,185)	-	-
Miscellaneous revenue	2,100	-	11,556
Total Nonoperating Revenues (Expenses)	<u>(130,312)</u>	<u>8,390</u>	<u>10,581</u>
Income (Loss) Before Contributions and Transfers	902,502	(166,511)	578,305
Capital Contributions	573,290	375,002	-
Transfers In	200,000	-	-
Transfers Out	<u>(1,155,071)</u>	<u>-</u>	<u>(450,000)</u>
Change in Net Position	520,721	208,491	128,305
Net Position, January 1	<u>57,557,576</u>	<u>18,680,039</u>	<u>2,383,781</u>
Net Position, December 31	<u>\$ 58,078,297</u>	<u>\$ 18,888,530</u>	<u>\$ 2,512,086</u>

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

Business-Type Activities - Enterprise Funds			Governmental
603	650		Activities -
Street Light Utility	Sports Center	Totals	Internal
			Service Funds
\$ -	\$ -	\$ 6,927,786	\$ -
-	-	(4,993,255)	-
-	-	1,934,531	-
394,568	365,862	12,474,965	-
-	-	152,362	-
-	-	401,551	-
<u>394,568</u>	<u>365,862</u>	<u>14,963,409</u>	<u>-</u>
-	112,502	2,483,335	349,565
1,109	35,725	1,939,468	364,971
-	-	300,791	-
-	-	1,967,626	-
324,080	132,358	887,261	-
51,604	124,278	4,876,515	-
1,200	11,879	721,413	-
-	-	146,132	-
1,558	-	52,159	-
-	-	15,968	-
1,771	2,778	52,717	-
-	6,936	138,187	-
-	-	3,548	-
<u>381,322</u>	<u>426,456</u>	<u>13,585,120</u>	<u>714,536</u>
<u>13,246</u>	<u>(60,594)</u>	<u>1,378,289</u>	<u>(714,536)</u>
-	52,500	52,500	-
-	-	20,000	-
(586)	-	(34,578)	(2,274)
-	(51,585)	(193,406)	-
-	-	39,001	-
-	-	(8,185)	-
-	3,559	17,215	588,612
<u>(586)</u>	<u>4,474</u>	<u>(159,953)</u>	<u>586,338</u>
12,660	(56,120)	1,270,836	(128,198)
31,781	-	980,073	-
-	250,000	450,000	-
<u>(27,900)</u>	<u>-</u>	<u>(1,632,971)</u>	<u>(40,300)</u>
16,541	193,880	1,067,938	(168,498)
<u>1,100,903</u>	<u>936,778</u>	<u>80,659,077</u>	<u>709,458</u>
<u>\$ 1,117,444</u>	<u>\$ 1,130,658</u>	<u>\$ 81,727,015</u>	<u>\$ 540,960</u>

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

City of Savage, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	601 Water and Sewer	660 Storm Water	609 Municipal Liquor
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 10,664,134	\$ 1,391,404	\$ 2,056,680
Payment to suppliers	(4,578,905)	(397,065)	(722,496)
Payment to employees	(1,482,567)	(235,688)	(734,923)
Other operating receipts	2,100	-	11,556
Net Cash Provided (Used) by Operating Activities	<u>4,604,762</u>	<u>758,651</u>	<u>610,817</u>
Cash Flows from Noncapital Financing Activities			
Tax receipts	-	-	-
Receipts (payments) from (to) other funds	28,815	-	-
Transfers in	200,000	-	-
Transfers out	(1,155,071)	-	(450,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(926,256)</u>	<u>-</u>	<u>(450,000)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(863,258)	-	(12,801)
Proceeds from the sale of assets	39,001	-	-
Connection charges	289,921	-	-
Intergovernmental receipts	-	20,000	-
Principal paid on debt	(1,184,550)	(82,438)	-
Interest paid on debt	(197,898)	(1,115)	-
Net Cash Flows Used by Capital and Related Financing Activities	<u>(1,916,784)</u>	<u>(63,553)</u>	<u>(12,801)</u>
Cash Flows from Investing Activities			
Investment interest loss	(21,407)	(11,610)	(975)
Net Increase (Decrease) in Cash and Cash Equivalents	1,740,315	683,488	147,041
Cash and Cash Equivalents, January 1	<u>8,482,256</u>	<u>5,514,665</u>	<u>692,520</u>
Cash and Cash Equivalents, December 31	<u>\$ 10,222,571</u>	<u>\$ 6,198,153</u>	<u>\$ 839,561</u>

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



Business-Type Activities - Enterprise Funds			Governmental
603	650	Totals	Activities -
Street Light Utility	Sports Center		Internal
			Service Funds
\$ 393,112	\$ 378,162	\$ 14,883,492	\$ -
(357,015)	(189,728)	(6,245,209)	(334,780)
-	(111,878)	(2,565,056)	(332,936)
-	3,559	17,215	588,612
<u>36,097</u>	<u>80,115</u>	<u>6,090,442</u>	<u>(79,104)</u>
-	52,500	52,500	-
-	-	28,815	-
-	250,000	450,000	-
<u>(27,900)</u>	<u>-</u>	<u>(1,632,971)</u>	<u>(40,300)</u>
<u>(27,900)</u>	<u>302,500</u>	<u>(1,101,656)</u>	<u>(40,300)</u>
-	-	(876,059)	-
-	-	39,001	-
-	-	289,921	-
-	-	20,000	-
-	(319,999)	(1,586,987)	-
-	(62,696)	(261,709)	-
<u>-</u>	<u>(382,695)</u>	<u>(2,375,833)</u>	<u>-</u>
<u>(586)</u>	<u>-</u>	<u>(34,578)</u>	<u>(2,274)</u>
7,611	(80)	2,578,375	(121,678)
<u>286,733</u>	<u>147</u>	<u>14,976,321</u>	<u>1,277,539</u>
<u>\$ 294,344</u>	<u>\$ 67</u>	<u>\$ 17,554,696</u>	<u>\$ 1,155,861</u>

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

City of Savage, Minnesota  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Storm Water	Municipal Liquor
Reconciliation of Operating Income (Loss)			
to Net Cash Provided (Used) by			
Operating Activities			
Operating income (loss)	\$ 1,032,814	\$ (174,901)	\$ 567,724
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Miscellaneous revenues	2,100	-	11,556
Depreciation	3,736,739	919,442	44,452
(Increase) decrease in assets/deferred resources			
Accounts receivable	(88,065)	(7,794)	678
Special assessments receivable	(9,317)	-	-
Prepaid items	(10,436)	-	-
Notes receivable	-	-	23,230
Inventories	-	-	74,973
Deferred pension resources	(380,851)	(55,082)	(169,619)
Deferred other post employment benefit resources	(15,434)	(2,515)	(6,980)
Increase (decrease) in liabilities and			
and deferred inflows of resources			
Accounts payable and contract payable	(99,978)	40,719	(95,339)
Accrued salaries and withholdings payable	(10,322)	979	(5,439)
Compensated absences payable	(2,236)	(5,252)	4,831
Deposits payable	51,427	(613)	-
Unearned revenue	-	-	943
Net pension liability	(226,220)	(42,753)	(100,267)
Other postemployment benefits payable	20,714	3,375	9,368
Deferred pension resources	569,120	83,519	253,410
Deferred other post employment benefit resources	(2,904)	(473)	(1,314)
Due to other governments	37,611	-	(1,390)
	\$ 4,604,762	\$ 758,651	\$ 610,817
	\$ 4,604,762	\$ 758,651	\$ 610,817
Supplemental Schedule of Noncash			
Capital and Related Financing Activities			
Amortization of discounts / (premiums) on bonds	\$ (38,419)	\$ (216)	\$ -
Disposal of capital assets	\$ (107,306)	\$ -	\$ -
Disposal of related accumulated depreciation	\$ 99,121	\$ -	\$ -
Capital contributions from other funds	\$ 283,369	\$ 375,002	\$ -
	\$ 283,369	\$ 375,002	\$ -

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

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
<u>Street Light Utility</u>	<u>Sports Center</u>	<u>Totals</u>	
\$ 13,246	\$ (60,594)	\$ 1,378,289	\$ (714,536)
-	3,559	17,215	588,612
51,604	124,278	4,876,515	-
(1,456)	(35,873)	(132,510)	-
-	-	(9,317)	-
-	-	(10,436)	-
-	-	23,230	-
-	-	74,973	-
-	(13,934)	(619,486)	-
-	(1,077)	(26,006)	(108,063)
(27,297)	(52)	(181,947)	30,191
-	412	(14,370)	-
-	1,412	(1,245)	-
-	-	50,814	-
-	48,173	49,116	-
-	(8,251)	(377,491)	-
-	1,446	34,903	145,027
-	20,819	926,868	-
-	(203)	(4,894)	(20,335)
-	-	36,221	-
<u>\$ 36,097</u>	<u>\$ 80,115</u>	<u>\$ 6,090,442</u>	<u>\$ (79,104)</u>
<u>\$ -</u>	<u>\$ (8,500)</u>	<u>\$ (47,135)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (107,306)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,121</u>	<u>\$ -</u>
<u>\$ 31,781</u>	<u>\$ -</u>	<u>\$ 690,152</u>	<u>\$ -</u>

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

City of Savage, Minnesota  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2021

	<u>Custodial Funds</u>
Assets	
Cash and investments	<u>\$ 30,400</u>
Liabilities	
Due to other governments	<u>\$ 30,400</u>

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

City of Savage, Minnesota  
Statement Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021

	Custodial Funds
Additions	
Service access charges collected for other governments	\$ 352,870
Surcharge fees collected for other governments	27,443
Total Additions	380,313
Deductions	
Payments of service access charges to other governments	352,870
Payments of surcharge fees to other governments	27,443
Total Deductions	380,313
Net Increase (Decrease) in Fiduciary Net Position	-
Net Position, January 1	-
Net Position, December 31	\$ -

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

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City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Savage (the City) is a municipal corporation of the "Optional Plan A" form of government defined in *Minnesota Statutes*. The City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

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

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The Criterion that results in the EDA being reported as a blended component unit include 1) the board members are members of the City Council and 2) the operational responsibility of the EDA rests with the management of the City. The EDA does not issue separate financial statements so they are included on the financial section of this report.

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

Blended Component Units - Reported as if they were part of the City.

Joint Ventures and Jointly Governed Organizations - The relationship of the City with the entity is disclosed.

For the category above, the specific entity is identified as follows:

**1. Blended Component Unit**

The Savage Economic Development Authority's (EDA) governing body consists of City Council Members. The Savage EDA's financial data has been blended with that of the City due to the governing body being substantively the same as the governing body of the City and due to the EDA being fiscally dependent on the City. The criteria that results in the EDA being reported as a blended component unit include 1) the board members are members of the City Council and 2) the operational responsibility of the EDA rests with the management of the City. The EDA does not issue separate financial statements and are included in the financial section of this report.

**2. Joint Ventures and Jointly Governed Organizations**

The City is a member of a joint powers agreement, together with the Cities of Shakopee, Prior Lake, Belle Plaine, Jordan, Elko New Market, and New Prague, Minnesota, to provide for the joint exercise of prosecutorial powers. The member Cities each shall appoint one individual to serve on the Scott Joint Prosecution Association Board, with each of the representatives having one vote.

Effective October 1, 2014, the SJPA board of directors unanimously voted to contract with Scott County for prosecution services and amend the Joint Powers Agreement accordingly. Under the new agreement, the SJPA member cities will not be charged for any prosecution services. Correspondingly, the County retains all the fine and penalty revenue generated by the prosecution services. The board agreed to disburse the accumulated fund balance at December 31, 2014, back to the cities based on each city's average Case Summary activity for the past seven years.

## Note 1: Summary of Significant Accounting Policies (Continued)

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type, pension (or other benefit) trust, and custodial.

Custodial Funds are presented in the fiduciary fund financial statement. Since, by definition, fiduciary fund assets are held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used for activities or obligations of the City, these Funds are not incorporated into the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of internal services is the City's governmental activities, the financial statements of the Internal Service Fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

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

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

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



City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

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

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

The City reports the following major governmental funds:

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

The *Debt Service fund* is used to account for the accumulation of resources used for the payment of principal, interest, and fiscal agent fees on long-term debt of the governmental funds.

The *ARPA fund* is fund is used to account for grants received as a result of the American Rescue Plan Act and the expenditures for which the grants will fund.

The *Tax Increment Construction* is used to account for the development activity of the City's Tax Increment Financing (TIF) districts.

The *Permanent Improvement Revolving fund* is used to account for construction costs prior to obtaining permanent financing.

The City reports the following major proprietary funds:

The *Water and Sewer fund* accounts for the operating, maintenance, and capital improvement of the City's water and sewer distribution and collection systems.

The *Storm Water fund* accounts for the operating, maintenance, and capital improvement of the City's surface water collection operations.

The *Municipal Liquor fund* accounts for the operation, maintenance, and capital improvements of the City's municipal liquor store.

The *Street Light Utility fund* accounts for the operation of the City's street light system.

The *Sports Center fund* accounts for the operation of the City's Sports Center.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

Nonmajor Governmental Funds

*Special Revenue funds* account for revenue derived from specific revenue sources that are legally restricted or committed to expenditures for specific purposes. For additional information on specific Special Revenue funds, refer to the Special Revenue fund statements.

*Capital Project funds* are used to account for the financial resources to be used for the acquisition or construction of major capital facilities. For additional information on Capital Projects funds, refer to the Capital Projects fund statements.

Additionally, the City reports the following fund types:

*Internal Service funds* account for the City's property, liability, worker's compensation and retiree health insurance provided to other departments within the City.

Fiduciary Funds:

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The City's Custodial funds account for activities of Service Availability Charges and State Surcharge collections.

*Service Availability Charges* account for assets in the form of sewer availability charges by the City and remitted to the Metropolitan Council Environmental Services.

*State Surcharges* account for assets in the form of state building permit charges collected by the City and remitted to the state.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

***Deposits and Investments***

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

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

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

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

The City has the following recurring fair value measurements as of December 31, 2021:

- U.S. Government Agency Securities of \$12,672,237 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$3,183,841 are valued using a matrix pricing model (Level 2 inputs)

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

***Investment Policy***

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list above.
- *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 states all deposits must be collateralized in compliance with Minnesota Statutes 118A with all deposits being collateralized at 110% of deposits in excess of FDIC insurance.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy states the City will attempt to diversify its investments according to type, maturity, and institution. The policy state the portfolio shall not contain more than 50% of the portfolio value in any one institution.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City's investment policy states the City will limit the portion of the portfolio with maturities greater than five years to 75% of the portfolio.

***Statement of Cash Flows***

For purpose of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents.

***Property Taxes***

The City Council annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Scott County provides settlement to cities and other taxing districts three times a year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year-end in the governmental fund financial statements.

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### ***Accounts Receivable***

When necessary, the City utilizes an allowance for uncollectible accounts to value its receivables. However, the City considers all of its current receivables to be collectible.

### ***Special Assessments***

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

### ***Interfund Receivables and Payables***

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

### ***Inventories and Prepaid Items***

Inventories of materials and supplies are recorded at cost, which approximates market, using the first-in, first out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City uses the consumption method to account for all prepaid items.

### ***Assets Held for Resale***

Land was acquired by the City and EDA for subsequent resale for redevelopment purposes. Land held for resale in an asset recorded at the lower of cost or realizable value in the fund that acquired it.

### ***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. This includes infrastructure acquired prior to the implementation of GASB Statement No. 34.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Such purchased assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

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

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

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	15 to 20
Buildings and Structures	15 to 50
Furniture, Equipment, Vehicles	4 to 30
Infrastructure	20 to 30

***Deferred Outflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. These items, deferred pension resources, deferred other postemployment benefit resources, and deferred charge on refunding and lease revision are reported only in the statements of net position. The first two items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement date. The third item is the deferred charge on refunding. A deferred charge on refunding and lease revision result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

***Compensated Absences***

Paid vacation and sick leave is granted to all regular, benefit eligible employees of the City. Vacation benefits vary with the length of service of the employee. Sick leave can be accumulated up to a maximum of 720 hours. In addition, regular benefit eligible employees can receive payment for any amount accrued over the maximum of 720 hours.

An employee of the City who leaves the City in good standing is paid for all unused and accrued vacation time. An employee who leaves the City may also receive pay for a percentage of accumulated sick days of up to 50% for employees with at least five years of service. Some police union employees may also receive pay for a percentage of accumulated sick leave of up to 33% with no service requirement and 50% with between 10 and 20 years of service.

All compensated absences pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee termination or similar circumstances. These liabilities are paid by the governmental fund the employee provided most of their service to and will be used to liquidate the liability, typically the General Fund. The unused vacation and sick leave of the proprietary funds is included in accrued liabilities of the respective fund.

***Postemployment Benefits other than Pensions***

Under *Minnesota statute* 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB 75, at January 1, 2021 valuation date. The measurement date is January 1, 2020. The General fund is typically used to liquidate governmental other postemployment benefits payable.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Long-term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

***Pensions***

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

The total pension expense for the GERP, PEPFP, DCP and Savage Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Fire Relief Association	Total All Plans
	GERP	PEPFP	DCP		
	Pension Expense	\$ 250,245	\$ (110,637)		

***Unearned Revenue***

The City's unearned revenue consists of grant revenue from the American Rescue Plan Act that has not yet met the revenue recognition criteria.

***Deferred Inflows of Resources***

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

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### ***Fund Balance***

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

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

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

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

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

*Unassigned* - These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

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

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unrestricted (combined committed, assigned and unassigned) fund balance of 35 percent of the subsequent year's budgeted operating expenditures of the General Fund. For 2021, 35 percent of the next year's budgeted operating expenditures is \$6,376,880.

### ***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

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

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



City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**Note 2: Stewardship, Compliance and Accountability**

**A. Budgetary Information**

The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. The City adopts an annual budget for the General fund, Cable Television, Economic Development, Hamilton Building, Strom and Post Office special revenue funds and all enterprise funds. Budget amounts are presented as originally adopted or amended. The City did not budget for the ARPA major special revenue fund because it was not legally required to do so. The City has established budgetary control at the department level in the General fund. Management may amend the line items within the departments in the General fund without seeking approval of the City Council. Budgeted expenditure appropriations lapse at year-end.

**B. Deficit Fund Equity**

As of December 31, 2021, the following funds reported deficit fund equity:

Fund	Amount
Primary Government	
Major funds	
Tax Increment Construction	\$ 997,113
Permanent Improvement Revolving	185,041

The fund deficits are expected to be eliminated with future tax increment revenues or transfers from other funds.

**C. Excess of Expenditures over Appropriations**

Fund	Final Budget	Actual	Excess of Expenditures Over Appropriations
Primary Government			
Nonmajor			
Hamilton Building	\$ 43,765	\$ 52,314	\$ 8,549

The budget excess was funded by revenues in excess of the budget and available fund balance.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds**

**A. Deposits and Investments**

***Deposits***

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

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

Authorized collateral in lieu of a corporate surety bond includes:

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

*Minnesota statutes* require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City. The cash and investments for both of the discretely presented component units are pooled with the City's cash and investments. At year end, the City's carrying amount of deposits was \$11,691,484 and the bank balance was \$11,960,377. Of the bank balance, \$500,000 was covered by Federal depository insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the City's name.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

**Investments**

As of December 31, 2021, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using	
				Level 1	Level 2
<b>Pooled Investments at Amortized Costs</b>					
4M Fund	N/A	less than 1 year	\$ 22,769,855		
Broker Money Market Funds	N/A	less than 1 year	3,644,493		
Total Pooled Investments			<u>26,414,348</u>		
<b>Non-pooled Investments at Amortized Costs</b>					
Negotiable certifications of deposits	NA	less than 1 year	975,445	\$ -	\$ 975,445
Negotiable certifications of deposits	NA	1 to 5 years	2,208,396	-	2,208,396
Government Agency Securities	A	1 to 5 years	1,033,250	1,033,250	-
Government Agency Securities	AA-	1 to 5 years	-	-	-
Government Agency Securities	AA	1 to 5 years	2,927,406	2,927,406	-
Government Agency Securities	AA	more than 5 years	1,449,407	1,449,407	-
Government Agency Securities	AA+	less than 1 year	402,372	402,372	-
Government Agency Securities	AA+	1 to 5 years	1,356,247	1,356,247	-
Government Agency Securities	AAA	less than 1 year	1,001,260	1,001,260	-
Government Agency Securities	AAA	1 to 5 years	1,462,775	1,462,775	-
Government Agency Securities	AAA	more than 5 years	972,820	972,820	-
Government Agency Securities	AA-	1 to 5 years	2,066,700	2,066,700	-
Total Investments			<u>\$ 42,270,426</u>	<u>\$ 12,672,237</u>	<u>\$ 3,183,841</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

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

N/A Indicates not applicable or available.

The City has no level 3 investments.

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

Carrying Amount of Deposits	\$ 11,691,484
Investments	<u>42,270,426</u>
Total	<u>\$ 53,961,910</u>
Primary Government	
Governmental activities	\$ 36,352,786
Governmental activities - Restricted cash	24,028
Business-type activities	17,554,696
Subtotal	<u>53,931,510</u>
Fiduciary	
Cash and investments	<u>30,400</u>
Total	<u>\$ 53,961,910</u>

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

**B. Notes Receivable**

The City sold seven properties on contract for deeds in the Strom industrial park. The notes are due and payable on various dates with interest accruing at rates between 2% to 5% per annum. These notes were recorded as receivables in the Strom Project Special Revenue Fund. All, but one, of the contract for deed have been paid in full. The receivable balance at December 31, 2021 was \$42,523.

The developer for Village Commons (66-unit rental complex) received a grant from the Metropolitan Council to assist with project construction costs. Minnesota Statutes require these fund to be directed to the City before being disbursed to the developer. The developer requested the funds as a note, which has a term of thirty years and an interest rate of 0%. The principal balance is to be repaid in one lump sum on December 21, 2042. This notes is recorded as a receivable in the Economic Development Special Revenue fund. The receivable balance December 31, 2021 was \$200,000.

On March 20, 2017 the Savage City Council approved the preliminary site development plan and rezoning for the development of a work force housing project at 14977 Louisiana Ave. In order for the project to obtain Minnesota Housing Financial Agency (MHFA) tax credits it would be beneficial for the City to consider participating financially in the development project. The Third Amendment to the purchase agreement revises the land acquisition terms from a flat payment in the amount of \$605,000 to an initial payment amount at closing in the amount of \$230,000 (plus \$25,000 in earnest money) with the remaining balance (\$350,000) to be paid pursuant to the terms of a promissory note. The terms of the Note are \$350,000, payable over 30 years, at an interest rate of 2% per annum, with all principal and interest deferred until the end of the thirty-year term. The receivable balance December 31, 2021 including accrued interest, was \$382,297.

On January 27, 2017, the City entered into a contract for deed with SHIMKIDS, LLC, a Minnesota liability company, for lots 6 and 7, block 45, Village of Savage, formerly Hamilton. A portion of this contract is payable to the City in the amount of \$400,000 over a 15-year term and is amortized over 15 years at 4 percent payable in monthly principal and interest payments. The receivable balance at December 31, 2021 was \$294,220.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 5,458,583	\$ -	\$ -	\$ 5,458,583
Construction in progress	3,978,985	2,635,426	(1,932,633)	4,681,778
Rights of ways and easement	754,344	-	-	754,344
Total Capital Assets not Being Depreciated	<u>10,191,912</u>	<u>2,635,426</u>	<u>(1,932,633)</u>	<u>10,894,705</u>
Capital Assets Being Depreciated				
Land improvements	13,506,588	784,423	-	14,291,011
Buildings and structures	31,938,741	241,783	-	32,180,524
Furniture and equipment	14,850,339	1,455,034	(1,070,532)	15,234,841
Improvements other than buildings	149,231,554	1,681,617	-	150,913,171
Total Capital Assets Being Depreciated	<u>209,527,222</u>	<u>4,162,857</u>	<u>(1,070,532)</u>	<u>212,619,547</u>
Less Accumulated Depreciation for				
Land improvements	(9,136,660)	(552,219)	-	(9,688,879)
Buildings and structures	(10,520,646)	(648,132)	-	(11,168,778)
Furniture and equipment	(7,426,780)	(1,052,549)	911,286	(7,568,041)
Improvements other than buildings	(93,124,002)	(4,957,711)	-	(98,081,713)
Total Accumulated Depreciation	<u>(120,208,088)</u>	<u>(7,210,611)</u>	<u>911,286</u>	<u>(126,507,411)</u>
Total Capital Assets Being Depreciated, Net	<u>89,319,134</u>	<u>(3,047,754)</u>	<u>(159,246)</u>	<u>86,112,136</u>
Governmental Activities Capital Assets, Net	<u>\$ 99,511,046</u>	<u>\$ (412,328)</u>	<u>\$ (2,091,879)</u>	<u>\$ 97,006,841</u>

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

<b>Governmental Activities</b>		
General government		\$ 219,398
Community development		58,435
Public safety		333,595
Public works		6,325,977
Parks and recreation		<u>273,206</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 7,210,611</u>

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,661,272	\$ -	\$ -	\$ 1,661,272
Construction in progress	1,187,531	1,324,070	(1,000,669)	1,510,932
Total Capital Assets not Being Depreciated	<u>2,848,803</u>	<u>1,324,070</u>	<u>(1,000,669)</u>	<u>3,172,204</u>
Capital Assets Being Depreciated				
Land improvements	1,255,754	-	-	1,255,754
Buildings and structures	34,569,505	40,691	-	34,610,196
Furniture and equipment	11,003,479	548,157	(107,306)	11,444,330
Improvements other than buildings	126,567,875	653,962	-	127,221,837
Total Capital Assets Being Depreciated	<u>173,396,613</u>	<u>1,242,810</u>	<u>(107,306)</u>	<u>174,532,117</u>
Less Accumulated Depreciation for				
Land improvements	(1,022,420)	(33,333)	-	(1,055,753)
Buildings and structures	(13,010,506)	(757,443)	-	(13,767,949)
Furniture and equipment	(3,380,636)	(483,914)	99,121	(3,765,429)
Improvements other than buildings	(83,300,946)	(3,601,825)	-	(86,902,771)
Total Accumulated Depreciation	<u>(100,714,508)</u>	<u>(4,876,515)</u>	<u>99,121</u>	<u>(105,491,902)</u>
Total Capital Assets Being Depreciated, Net	<u>72,682,105</u>	<u>(3,633,705)</u>	<u>(8,185)</u>	<u>69,040,215</u>
Business-type Activities Capital Assets, Net	<u>\$ 75,530,908</u>	<u>\$ (2,309,635)</u>	<u>\$ (1,008,854)</u>	<u>\$ 72,212,419</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

<b>Business-type Activities</b>	
Water and sewer	\$ 3,736,739
Storm Water	919,442
Municipal Liquor	44,452
Sports Center	124,278
Street Light	<u>51,604</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 4,876,515</u>

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

**Construction Commitments**

The City has active construction projects as of December 31, 2021. The projects include various street and road improvements and public facilities projects. At year end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
TH13/Dakota/Yose Design Study	\$ 120,991	\$ 28,229
Hampshire Ave. Improvements	2,006,874	137,552
2021 St.Improvements	1,826,654	338,001
Community Monument	277,442	5,917
Community Park Phase II	267,071	9,238
126th St Utility Work	349,736	51,597
<b>Total</b>	<b>\$ 4,848,768</b>	<b>\$ 570,534</b>

**D. Interfund Receivables, Payables and Transfers**

Due to/from funds represent reclassifications of temporary cash deficits in individual fund and other short-term loans expected to be repaid within one year. The amount owing between funds represents reclassification of temporary cash deficits between. At year end, the balances were as follows:

Receivable Fund	Payable Fund	Amount
Primary Government		
Water and Sewer	Tax Increment Construction	\$ 143,040
Nonmajor governmental	Tax Increment Construction	1,155,000
<b>Total</b>		<b>\$ 1,298,040</b>

The City made transfers during the year as shown and described below:

Fund	Transfers In					Total
	General	Debt Service	Nonmajor Governmental Funds	Water and Sewer Fund	Sportscenter Fund	
Transfer Out						
General	\$ -	\$ -	\$ 1,054,797	\$ -	\$ -	\$ 1,054,797
Debt Service	-	297,458	-	-	-	297,458
ARPA	119	-	-	-	-	119
Permanent Revolving	-	-	2,444,460	-	-	2,444,460
Nonmajor governmental	-	894,104	60,001	200,000	250,000	1,404,105
Water and Sewer	250,000	-	905,071	-	-	1,155,071
Liquor	-	-	450,000	-	-	450,000
Street Light	-	-	27,900	-	-	27,900
Internal service	40,300	-	-	-	-	40,300
<b>Total Transfers</b>	<b>\$ 290,419</b>	<b>\$ 1,191,562</b>	<b>\$ 4,942,229</b>	<b>\$ 200,000</b>	<b>\$ 250,000</b>	<b>\$ 6,874,210</b>

Transfers made during the year were to assist operations, finance debt service payments, support capital projects, fund equipment purchases and to close unused funds.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

**E. General Long-term Debt**

General Obligation Bonds

The City issues general obligation bonds and equipment certificates to provide funds for improvements, recreational facilities, or projects which benefit the City as a whole and are, therefore, repaid from ad valorem levies.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

**Primary Government**

General Obligation Bonds

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
2017B G.O. City Recreation Facility Refunding Bonds	\$ 1,520,000	3.00 %	07/12/17	02/01/22	\$ 325,000
2020B G.O. Advanced Refunding	1,760,000	5.00	06/04/20	02/01/26	1,505,000
2014B G.O. Advanced Refunding	6,600,000	2.00 - 2.38	06/05/14	02/01/27	3,360,000
2015B G.O. Improvement and Street Reconstruction Crossover Refunding Bonds	2,730,000	1.50 - 2.50	06/04/15	02/01/22	<u>440,000</u>
Total General Obligation Bonds					<u>\$ 5,630,000</u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,570,000	\$ 146,368	\$ 1,716,368
2023	825,000	110,618	935,618
2024	855,000	84,368	939,368
2025	875,000	57,565	932,565
2026	915,000	28,913	943,913
2027	590,000	7,008	597,008
Total	<u>\$ 5,630,000</u>	<u>\$ 434,840</u>	<u>\$ 6,064,840</u>



City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

General Obligation Special Assessment Improvement Bonds

These Bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. However, some issues are partly financed by ad valorem levies.

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
2012A G.O. Improvement Bonds	\$ 5,085,000	1.00 - 2.62 %	06/15/12	02/01/28	\$ 1,765,000
2014A G.O. Improvement Bonds	3,290,000	2.00 - 3.50	06/05/14	02/01/30	1,560,000
2015A G.O. Improvement Bonds	4,100,000	2.00 - 4.00	06/04/15	02/01/31	2,450,000
2016A G.O. Improvement Bonds	3,335,000	2.00 - 3.00	06/16/16	02/01/32	2,170,000
2017A G.O. Improvement Bonds	3,095,000	2.00 - 3.00	07/12/17	02/01/33	1,690,000
2018A G.O. Improvement Bonds	3,200,000	3.00 - 3.15	05/17/18	02/01/34	2,625,000
2018B G.O. Refunding Bonds	1,220,000	3.00 - 5.00	05/17/18	02/01/24	640,000
2019A G.O. Improvement Bonds	2,615,000	3.00 - 5.00	06/06/19	02/01/35	2,280,000
2019B G.O. Refunding Bonds	1,685,000	5.00	06/06/19	02/01/25	1,180,000
2020A G.O. Improvement Bonds	2,795,000	2.00 - 3.00	06/04/20	02/01/36	2,795,000
2020C G.O. Advanced Refunding	3,495,000	2.00 - 4.00	11/05/20	02/01/29	3,495,000
2021A G.O. Improvement Bonds	2,800,000	2.00 - 4.00	07/22/21	02/01/37	<u>2,800,000</u>
Total G.O. Special Assessment Improvement Bonds					<u><u>\$ 25,450,000</u></u>

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 3,215,000	\$ 754,636	\$ 3,969,636
2023	3,515,000	632,289	4,147,289
2024	3,170,000	510,895	3,680,895
2025	2,915,000	399,914	3,314,914
2026	2,355,000	306,835	2,661,835
2027 - 2031	7,645,000	729,933	8,374,933
2032 - 2036	2,505,000	118,878	2,623,878
2037	<u>130,000</u>	<u>1,040</u>	<u>131,040</u>
Total	<u><u>\$ 25,450,000</u></u>	<u><u>\$ 3,454,420</u></u>	<u><u>\$ 28,904,420</u></u>

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

General Obligation Revenue Bonds

These bonds were issued to finance the cost of improvements to the City's utility system and sports center. They will be retired from net revenue of the Water and Sewer Enterprise Fund. Certain revenue bonds require the City establish separate funds for repayment of these obligations. The City has pledge income derived from the acquired or constructed assets to pay debt service as follows:

	Water and Sewer	Storm Water	Sports Center
Operating Revenues	\$ 10,771,952	\$ 1,399,198	\$ 365,862
Principal and Interest	1,382,448	83,553	382,695
Percentage of Revenues	779 %	1,675 %	96 %

The components of the general obligation revenue bonds are as follows:

Description	Authorized and Issued	Interest Rate	Dated	Maturity Date	Balance at Year End
Tax Abatement Bonds					
Series 2012B	\$ 4,915,000	1.00 - 2.62 %	06/15/12	02/01/28	\$ 2,475,000
G.O. Improvement Bonds					
Series 2015A	3,075,000	2.00 - 4.00	06/04/15	02/01/31	2,180,000
G.O. Improvement Bonds					
Series 2017A	3,830,000	2.00 - 3.00	07/12/17	02/01/32	3,145,000
G.O. Utility Revenue Refunding Bonds					
Series 2018B	3,480,000	3.00 - 5.00	05/17/18	02/01/23	950,000
Total Business-type Bonds					\$ 8,750,000

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

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2022	\$ 1,225,000	\$ 216,983	\$ 1,441,983
2023	1,255,000	180,742	1,435,742
2024	795,000	152,777	947,777
2025	810,000	132,957	942,957
2026	825,000	111,969	936,969
2027 - 2031	3,255,000	280,126	3,535,126
2032	585,000	17,625	602,625
Total	\$ 8,750,000	\$ 1,093,179	\$ 9,843,179

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

Capital Leases

In August 1999, the City entered into a lease agreement with the Scott County Housing and Redevelopment Authority (HRA) for financing construction of 17,500 square feet of office and classroom space, capitalized at \$2,230,000. The Scott County HRA issued \$2,295,000 Facility Lease Revenue Bonds and \$175,000 Taxable Facility Lease Revenue Bonds to pay for the construction. The Revenue Bonds had interest rates that ranged from 4.75% to 5.70% and 6.75% to 7.00%, respectively. The City revised its capital lease agreement using Facility Lease Revenue Refunding Bonds, Series 2008 with Scott County Community Development Agency (CDA) in order to take advantage of lower interest rates. The revised lease agreement requires the City to make yearly payments beginning February 1, 2009 equal to the principal and interest due on the Revenue Refunding Bonds with interest rates ranging between 4.20% to 4.60%. The refunding replaces the Series 1999A Bonds. The difference between the present value of the lease obligation under the original agreement and the present value of future minimum lease payments was a loss of \$195,000; however, the amount of interest cost over the remaining lease term decreased by \$312,734, resulting in a net savings of \$117,724. During December 2017, the City revised its capital lease agreement using Taxable Facility Lease Revenue Refunding Bonds, Series 2017B with Scott County CDA in order to take advantage of lower interest rates. The revised lease agreement requires the City to make annual payments beginning February 1, 2019 equal to the principal and interest due on the Facility Lease Revenue Refunding Bonds, Series 2017B with interest rates between 2.0% to 3.25%. The new refunding will provide a net present value benefit of \$74,466. These payments will be made from the Capital Lease Debt Service Fund. Revenues from sublease agreements will be used to pay these lease payments. The assets acquired through capital leases are \$2,260,000 worth of buildings and structures.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Building and structures	\$ 2,260,000
Less accumulated depreciation	(1,380,600)
Total	\$ 879,400

The annual service requirements to maturity for capital leases are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 120,000	\$ 28,633	\$ 148,633
2023	120,000	25,723	145,723
2024	120,000	22,543	142,543
2025	125,000	19,113	144,113
2026	130,000	15,413	145,413
2027 - 2029	425,000	20,869	445,869
Total	\$ 1,040,000	\$ 132,294	\$ 1,172,294

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on All Funds (Continued)**

Changes in Long-term Liabilities

During the year ended December 31, 2021, the following changes occurred in non-current liabilities reported on the government-wide statements.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
General obligation bonds	\$ 7,170,000	\$ -	\$ (1,540,000)	\$ 5,630,000	\$ 1,570,000
General obligation special assessment bonds	30,413,200	2,800,000	(7,763,200)	25,450,000	3,215,000
Unamortized discount and premium	1,764,000	335,761	(272,084)	1,827,677	-
Total Bonds Payable - Net	<u>39,347,200</u>	<u>3,135,761</u>	<u>(9,575,284)</u>	<u>32,907,677</u>	<u>4,785,000</u>
Capital Lease Payable	1,155,000	-	(115,000)	1,040,000	120,000
Compensated Absences Payable	<u>1,391,657</u>	<u>-</u>	<u>104,133</u>	<u>1,495,790</u>	<u>1,128,007</u>
Governmental Activity Long-term Liabilities	<u>\$ 41,893,857</u>	<u>\$ 3,135,761</u>	<u>\$ (9,586,151)</u>	<u>\$ 35,443,467</u>	<u>\$ 6,033,007</u>
<b>Business-type Activities</b>					
Bonds Payable					
General obligation revenue bonds	\$ 10,336,800	\$ -	\$ (1,586,800)	\$ 8,750,000	\$ 1,225,000
Unamortized discount and premium	342,690	-	(47,322)	295,368	-
Total Bonds Payable - Net	<u>10,679,490</u>	<u>-</u>	<u>(1,634,122)</u>	<u>9,045,368</u>	<u>1,225,000</u>
Compensated Absences Payable	<u>248,196</u>	<u>185,213</u>	<u>(186,458)</u>	<u>246,951</u>	<u>246,951</u>
Business-type Activity Long-term Liabilities	<u>\$ 10,927,686</u>	<u>\$ 185,213</u>	<u>\$ (1,820,580)</u>	<u>\$ 9,292,319</u>	<u>\$ 1,471,951</u>

Conduit Debt Obligations

The City of Savage has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private-sector entity revenues. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City of Savage or the State of Minnesota, or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021 there were two revenue bonds outstanding with Aspen Academy Charter School with a total principal amount \$18,370,000.

City of Savage, Minnesota  
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**Note 3: Detailed Notes on All Funds (Continued)**

**F. Components of Fund Balance**

At December 31, 2021, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Other Governmental Funds	Total
<b>Nonspendable for Prepaid Items</b>				
Prepaid items	\$ 63,311	\$ -	\$ 1,854	\$ 65,165
Inventory	8,216	-	-	8,216
<b>Total Nonspendable</b>	<b>\$ 71,527</b>	<b>\$ -</b>	<b>\$ 1,854</b>	<b>\$ 73,381</b>
<b>Restricted for</b>				
Debt service	\$ -	\$ 10,825,414	\$ -	\$ 10,825,414
Public safety	24,028	-	-	24,028
Park improvements	-	-	1,806,191	1,806,191
<b>Total Restricted</b>	<b>\$ 24,028</b>	<b>\$ 10,825,414</b>	<b>\$ 1,806,191</b>	<b>\$ 12,655,633</b>
<b>Committed for</b>				
Cable television	\$ -	\$ -	\$ 284,717	\$ 284,717
Economic development	-	-	1,601,703	1,601,703
Hamilton building	-	-	196,276	196,276
Post office	-	-	381,039	381,039
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,463,735</b>	<b>\$ 2,463,735</b>
<b>Assigned to</b>				
Capital projects	\$ 254,832	\$ -	\$ 7,308,067	\$ 7,562,899

**Note 4: Defined Benefit Pension Plans - Statewide**

**A. Plan Description**

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

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

## Note 4: Defined Benefit Pension Plans - Statewide (Continued)

### B. Benefits Provided

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

#### General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. 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.

#### Police and Fire Plan Benefits

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

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

### C. Contributions

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

#### General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ending December 31, 2021, 2020 and 2019 were \$526,480, \$514,545 and \$476,249, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of Savage, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2021, 2020 and 2019 were \$705,171, \$645,643 and \$569,503, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2021, the City reported a liability of \$4,027,032 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$123,003. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA's participating employers. The City's proportion was 0.0943 percent which was an increase of 0.0031 percent from its proportion measured as of June 30, 2020.

City's Proportionate Share of the Net Pension Liability	\$ 4,027,032
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	123,003
Total	\$ 4,150,035

For the year ended December 31, 2021, the City recognized pension expense of \$240,321 for its proportionate share of the General Employees Fund's pension expense. In addition, the City recognized an additional \$9,924 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2021, the City reported its proportionate share of General Employees Fund's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 23,193	\$ 122,770
Changes in Actuarial Assumptions	2,458,823	85,311
Net Difference Between Projected and Actual Earnings on Plan Investments	-	3,492,745
Changes in Proportion	195,343	-
Contributions Paid to PERA Subsequent to the Measurement Date	264,374	-
Total	\$ 2,941,733	\$ 3,700,826

City of Savage, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

The \$264,374 reported as deferred outflows of resources related to pensions resulting from the City's contributions to GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (61,999)
2023	25,636
2024	(35,858)
2025	(951,246)

Police and Fire Fund Pension Costs

At December 31, 2021, the City reported a liability of \$2,403,678 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the City's proportionate share was 0.3114 percent which was an increase of 0.0088 percent from its proportionate share measured as of June 30, 2020.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$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, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, the City recognized negative pension expense of \$130,323 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$19,686 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$28,026 for the year ended December 31, 2021 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.



City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

At December 31, 2021, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 467,325	\$ 36,676
Changes in Actuarial Assumptions	3,652,395	1,410,187
Net Difference Between Projected and Actual Earnings on Plan Investments	-	4,599,626
Changes in Proportion	230,090	169,652
Contributions Paid to PERA Subsequent to the Measurement Date	379,991	-
Total	\$ 4,729,801	\$ 6,216,141

The \$379,991 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (1,580,922)
2023	(305,359)
2024	(266,315)
2025	(487,128)
2026	773,393

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. 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 the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

City of Savage, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

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

Police and Fire Fund

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Savage, Minnesota  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

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

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

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension Liability Sensitivity**

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

	City Proportionate Share of NPL		
	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	\$ 8,213,091	\$ 4,027,032	\$ 592,116
Police and Fire Fund	7,631,271	2,403,678	(1,881,653)

**H. Pension Plan Fiduciary Net Position**

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

City of Savage, Minnesota  
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**Note 5: Defined Contribution Plan**

The City has City Council members that are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City During the fiscal year 2021 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 2,000	\$ 2,000	5.00%	5.00%	5.00%

The City and council member's contributions to the DCP plan for the years ending December 31, 2021, 2020 and 2019 were \$2,000, \$2,000 and \$2,000, respectively.

**Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association**

**A. Plan Description**

All members of the Savage Fire Department (the Department) are covered by a defined benefit plan administered by the Savage Firefighter's Relief Association (the Association). As of December 31, 2020, the plan covered 36 active firefighters and 8 vested terminated, retirees and beneficiaries fire fighters whose pension benefits are deferred. The plan is a single employer defined benefit retirement plan and is established and administered in accordance with *Minnesota statute*, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

**B. Benefits Provided**

Full retirement benefits are payable to member who have reached age 50 and have completed 15 years of service for monthly service pensions, or 10 years of service for lump sum service pensions. Partial benefits are payable to member who have reached age 50 and have completed 10 years of service. Disability benefits and widow and children survivor benefits are also payable to member or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling State Statutes.

City of Savage, Minnesota  
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**Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)**

**C. Contributions**

*Minnesota statutes*, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota statutes* and voluntary City contributions (if applicable). The State of Minnesota contributed \$199,003 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2021, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the plan for the year ended December 31, 2021 were \$386,511. The City's contributions were equal to the required contributions as set by state statute. In addition, the City made no voluntary contributions to the plan. The firefighter has no obligation to contribute to the plan.

**D. Pension Costs**

At December 31, 2021, the City reported a net pension liability of \$496,872 for the Volunteer Firefighter Fund. The net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability in accordance with GASB 68 was determined by Hildi, Inc. applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in the net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2020	\$ 7,989,333	\$ 7,207,708	\$ 781,625
Changes for the Year			
Service cost	166,397	-	166,397
Interest cost	459,072	-	459,072
Assumption changes	245,547	-	245,547
Projected investment return	-	414,349	(414,349)
Contributions (employer)	-	185,514	(185,514)
Nonemployer contributions	-	187,508	(187,508)
(Gain)/loss	(34,178)	366,773	(400,951)
Benefit payments	(343,738)	(343,738)	-
Administrative expenses	-	(32,553)	32,553
Total Net Changes	<u>493,100</u>	<u>777,853</u>	<u>(284,753)</u>
Ending Balance December 31, 2020	<u>\$ 8,482,433</u>	<u>\$ 7,985,561</u>	<u>\$ 496,872</u>

For the year ended December 31, 2021, the City recognized negative pension expense of \$97,413.

City of Savage, Minnesota  
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**Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)**

At December 31, 2021, the City reported deferred outflows of resources and its contributions subsequent to the measurement date related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 35,884	\$ 25,633
Changes in Actuarial Assumptions	348,935	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	540,067
Contributions to Plan Subsequent to the Measurement Date	386,511	-
Total	\$ 771,330	\$ 565,700

Deferred outflows of resources totaling \$386,511 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2022	\$ 17,527
2023	46,414
2024	(171,469)
2025	(73,353)

**E. Actuarial Assumptions**

The total pension liability at December 31, 2021 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Salary Increases	2.50% per year
Cost of Living Increases	2.00%
Investment Rate of Return	5.50%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

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**Note 6: Defined Benefit Pension Plans - Volunteer Fire Relief Association (Continued)**

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash and Equivalents	5.00 %	1.80 %
Fixed Income	29.00	2.90
Equities	65.00	7.10
Other	1.00	7.00
Total	<u>100.00 %</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension Liability Sensitivity**

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	1 Percent Decrease (4.50%)	Current (5.50%)	1 Percent Increase (6.50%)
Defined Benefit Plan	\$ 1,860,829	\$ 496,872	\$ (582,791)

**H. Pension Plan Fiduciary Net Position**

The Association issues a publicly available financial report. The report may be obtained at the Savage City Hall at 6000 McColl Drive, Savage, Minnesota 55378.

City of Savage, Minnesota  
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**Note 7: Postemployment Benefits Other than Pensions**

**A. Plan Description**

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offer medical coverage. Medical coverage is administered by Benefits Extra, Inc. It is the City's policy to periodically review its medical coverage and to obtain request for proposals in order to provide the most favorable benefits and premiums for City employees and retirees.

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	8
Spouses Receiving Benefid Payments	3
Active Plan Members	124
 Total Plan Members	 135

**B. Funding Policy**

Contribution requirements are also negotiated between the City and union representatives. The City contributes a predetermined portion of the cost of current-year premiums for eligible retired plan members and their spouses based on the employment contract in effect at the time of retirement. For the year ended December 31, 2021, the City's average contribution rate was 8.64 percent of covered-employee payroll. For the year 2021, the City directly contributed \$39,717 to the Plan, while implicit contributions totaled \$36,776.

**C. Actuarial Methods and Assumptions**

The City's total OPEB liability of \$956,048 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2021. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.00%
20-Year Municipal Bond Yield	2.00%
Inflation Rate	2.00%
Salary Increases	3.00%
Medical Trend Rate	6.50% in 2021 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Dental Trend Rate	4.00%

The discount rate used to measure the total OPEB liability was 2.00 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

The actuarial assumptions used in the January 1, 2021 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.



City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 7: Postemployment Benefits other than Pensions (Continued)**

**D. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability (a)</u>
Balances at December 31, 2020	\$ 776,118
Changes for the Year:	
Service cost	47,133
Interest	23,028
Differences between expected and actual experience	137,186
Changes in assumptions or other inputs	31,360
Benefit payments	<u>(58,777)</u>
Net Changes	<u>179,930</u>
Balances at December 31, 2021	<u>\$ 956,048</u>

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 3.90% to 2.00%
- Health care trend rates were changed to better anticipate short term and long term medical increases
- The retirement withdrawal tables for police and fire personnel were updated

Since the prior measurement date, the following benefit terms changed: None

**E. Sensitivity of the Total OPEB Liability**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.00 percent) or 1-percentage-point higher (3.00 percent) than the current discount rate:

<u>1 Percent Decrease (1.00%)</u>	<u>Current (2.00%)</u>	<u>1 Percent Increase (3.00%)</u>
\$ 1,017,753	\$ 956,048	\$ 898,355

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.50 percent increasing to 6.00 percent) than the cost trend rate:

<u>1 Percent Decrease (5.50% Decreasing to 4%)</u>	<u>Healthcare Cost Trend Rates (6.50% Decreasing to 5%)</u>	<u>1 Percent Increase (7.50% Decreasing to 6%)</u>
\$ 881,338	\$ 956,048	\$ 1,041,816

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 7: Postemployment Benefits other than Pensions (Continued)**

**F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2021, the City recognized OPEB expense of \$97,123. At December 31, 2021, the City 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
Changes in Actuarial Assumptions	\$ 55,014	\$ 100,918
Changes in Liability (Gain)/Loss	207,533	-
Contributions to OPEB Subsequent to the Measurement Date	76,493	-
Total	\$ 339,040	\$ 100,918

Deferred outflows of resources totaling \$76,493 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2022.

**Note 8: Other Information**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation and other miscellaneous insurance coverage. LMCIT operates as a common risk management and insurance program for member cities. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that LMCIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits for each insured event.

The City also carries commercial insurance for certain other risks of loss, including liquor liability and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in insurance coverage during 2021.

**B. Legal Claims**

The City has usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

**C. Revenue Bonds**

In July 2006, the Scott County Community Development Agency (CDA) issued \$3,440,000 Housing Development Revenue Bonds to refund in advance, the August 1999 HRA Bonds to undertake housing development projects and to acquire and construct multi-family rental housing. In December 2013, the CDA issued \$2,925,000 Housing Development Refunding Bonds, series 2013C to refund the 2006 Bonds to realize additional savings. The City has pledged its full faith, credit, and taxing powers to the Housing Bonds solely as a credit enhancement. It is intended that revenues the Scott County CDA pledged will equal or exceed 110% of the principal and interest due on these bonds.

City of Savage, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 8: Other Information (Continued)**

On March 14, 2008, the CDA issued \$2,400,000 Facility Lease Revenue Refunding Bonds, series 2008A, which refunded their previous Housing Bonds. In the event the City makes advances to pay debt service on the Housing Bonds, the Scott County CDA will reimburse the City from future surplus funds.

During December 2017, the City revised its capital lease agreement using Taxable Facility Lease Revenue Refunding Bonds, Series 2017B with Scott County CDA in order to take advantage of lower interest rates. The revised lease agreement requires the City to make yearly payments beginning February 1, 2019 equal to the principal and interest due on the Facility Lease Revenue Refunding Bonds, Series 2017B with interest rates between 2.0% to 3.25%. As of December 31, 2021, the outstanding principal and interest balance on these revenue bonds is \$1,003,599.

On September 20, 2021, the CDA issued \$1,805,000 of refunding bonds to refund the callable maturities of the \$2,880,000 Series 2013C Bonds originally issued for the Hamilton project. By refunding the 2013C Bonds, the Agency anticipates reducing debt service costs by approximately \$282,000 in net future value savings and approximately \$271,000 in net present value savings.

**D. Flexible Benefit Plan**

The City has a flexible benefit plan which is classified as a "cafeteria plan" (the Plan) under Minnesota Statutes 125 of the Internal Revenue Code. Nonexempt employees of the City are eligible if they are regularly scheduled to work 30 hours or more per week, exempt employees are eligible when paid for 50 hours or more per biweekly pay period. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll check to the Plan for health and dental care, dependent care, life insurance premiums and disability insurance benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from January 1 to December 31, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. The City is contingently liable for claim against the total amount of participants' annual contributions to the health and dental care portion of the Plan, whether or not such contribution have been made.

All assets of the Plan are held in a trust consisting of a separate bank account. Benefits Extra, Inc. serves as Trustee and handles all Plan recordkeeping. The plan is included in the financial statements in the General Fund.

All property of the Plan and income attributable to that property is solely the property of the City, subject to the claims of the City's general creditors. Participants' rights under the Plan are equal to those of general creditors of the City in an amount equal to eligible expense incurred by the participants. The City believes it is unlikely it will use the assets to satisfy the claims of general creditors in the future.

**Note 9: Subsequent Events**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The City has experienced a decrease in revenues in its community center and incurred a loss for the year ended December 31, 2020 as a result of the COVID-19 pandemic due to closure of its sports center.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the City cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City's financial condition, liquidity, and future results of its revenue collections is uncertain.

On March 31, 2022, City Council authorized the sale of a \$2,645,000 General Obligation Bond, series 2022A that will be awarded on May 18, 2022. The issuance will finance the 2022 Neighborhood Street Improvement project.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

City of Savage, Minnesota  
 Required Supplementary Information  
 For the Year Ended December 31, 2021

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/21	0.0943 %	\$ 4,027,032	\$ 123,003	\$ 4,150,035	\$ 7,052,876	57.1 %	87.0 %
06/30/20	0.0912	5,467,857	168,587	5,636,444	6,488,577	84.3	79.0
06/30/19	0.0884	4,887,438	151,827	5,039,265	6,253,241	78.2	80.2
06/30/18	0.0874	4,848,594	159,101	5,007,695	5,877,053	82.5	79.5
06/30/17	0.0861	5,496,567	69,094	5,565,661	5,545,085	99.1	75.9
06/30/16	0.0847	6,877,220	89,813	6,967,033	5,256,467	130.8	68.9
06/30/15	0.0885	4,586,529	-	4,586,529	5,115,787	89.7	78.2

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

**Schedule of Employer's PERA Contributions - General Employees Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/21	\$ 526,480	\$ 526,480	\$ -	\$ 7,019,730	7.50 %
12/31/20	514,545	514,545	-	6,860,594	7.50
12/31/19	476,249	476,249	-	6,349,992	7.50
12/31/18	457,087	457,087	-	6,094,490	7.50
12/31/17	426,380	426,380	-	5,685,072	7.50
12/31/16	401,004	401,004	-	5,346,720	7.50
12/31/15	394,189	394,189	-	5,255,853	7.50

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

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Notes to the Required Supplementary Information - General Employee Retirement Fund**

Changes in Actuarial Assumptions

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

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

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

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

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

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)**

Changes in Plan Provisions

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

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

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

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



City of Savage, Minnesota  
 Required Supplementary Information (Continued)  
 For the Year Ended December 31, 2021

**Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/21	0.3114 %	\$2,403,678	\$ 108,096	\$ 2,511,774	\$ 3,822,683	62.9 %	93.7 %
06/30/20	0.3026	3,988,592	-	3,988,592	3,417,310	116.7	87.2
06/30/19	0.3137	3,339,653	-	3,339,653	3,311,354	100.9	89.3
06/30/18	0.2957	3,151,857	-	3,151,857	3,116,313	101.1	88.8
06/30/17	0.3010	4,063,858	-	4,063,858	3,088,646	131.6	85.4
06/30/16	0.3050	12,240,181	-	12,240,181	3,073,162	398.3	63.9
06/30/15	0.3050	3,465,514	-	3,465,514	2,835,494	122.2	86.6

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

**Schedule of Employer's PERA Contributions - Police and Fire Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/21	\$ 705,171	\$ 705,171	\$ -	\$ 3,984,019	17.70 %
12/31/20	645,643	645,643	-	3,647,702	17.70
12/31/19	569,503	569,503	-	3,359,897	16.95
12/31/18	523,700	523,700	-	3,232,716	16.20
12/31/17	497,852	497,852	-	3,073,162	16.20
12/31/16	490,172	490,172	-	3,025,753	16.20
12/31/15	459,350	459,350	-	2,835,494	16.20

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

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Notes to the Required Supplementary Information - Public Employees Police and Fire Fund**

Changes in Actuarial Assumptions

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.

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. 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 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Notes to the Required Supplementary Information - Public Employees Police and Fire Fund (Continued)**

Changes in Plan Provisions

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

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

2019 - There were no changes in plan provisions since the previous valuation.

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

2016 - There were no changes in plan provisions since the previous valuation.

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. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum. 2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios**

	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)	2015 (Fire Relief Report Date 2014)
<b>Total Pension Liability</b>							
Service cost	\$ 166,397	\$ 149,704	\$ 124,685	\$ 110,794	\$ 118,368	\$ 95,357	\$ 87,353
Interest on pension liability (asset)	459,072	447,060	433,199	401,172	387,067	361,511	350,753
Changes of benefit terms	-	72,800	71,495	95,143	79,133	60,427	-
Gain (loss)	(34,178)	14,950	113,646	(171,516)	26,177	94,849	-
Changes of assumptions	245,547	254,253	150,603	405,055	(28,593)	186,213	-
Benefit payments	(343,738)	(501,451)	(296,205)	(388,016)	(309,796)	(260,917)	(288,652)
<b>Net Change in Total Pension Liability</b>	<b>493,100</b>	<b>437,316</b>	<b>597,423</b>	<b>452,632</b>	<b>272,356</b>	<b>537,440</b>	<b>149,454</b>
<b>Total Pension Liability - January 1</b>	<b>7,989,333</b>	<b>7,552,017</b>	<b>6,954,594</b>	<b>6,501,962</b>	<b>6,229,606</b>	<b>5,692,166</b>	<b>5,542,712</b>
<b>Total Pension Liability - December 31 (a)</b>	<b>\$ 8,482,433</b>	<b>\$ 7,989,333</b>	<b>\$ 7,552,017</b>	<b>\$ 6,954,594</b>	<b>\$ 6,501,962</b>	<b>\$ 6,229,606</b>	<b>\$ 5,692,166</b>
<b>Plan Fiduciary Net Position</b>							
Employer contributions	\$ 185,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 184,514	\$ 149,192
Nonemployer contributions	187,508	176,529	168,582	164,768	162,295	158,225	184,514
Projected investment return	414,349	369,537	409,851	358,176	331,448	352,571	329,228
Gain (loss)	366,773	754,785	(752,939)	474,769	112,519	(518,661)	(20,383)
Benefit payments	(343,738)	(501,451)	(296,205)	(388,016)	(309,796)	(260,917)	(288,652)
Administrative expenses	(32,553)	(10,716)	(16,916)	(13,540)	(17,389)	(11,254)	(15,067)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>777,853</b>	<b>973,198</b>	<b>(303,113)</b>	<b>780,671</b>	<b>463,591</b>	<b>(95,522)</b>	<b>338,832</b>
<b>Plan Fiduciary Net Position - January 1</b>	<b>7,207,708</b>	<b>6,234,510</b>	<b>6,537,623</b>	<b>5,756,952</b>	<b>5,293,361</b>	<b>5,388,883</b>	<b>5,050,051</b>
<b>Plan Fiduciary Net Position - December 31 (b)</b>	<b>\$ 7,985,561</b>	<b>\$ 7,207,708</b>	<b>\$ 6,234,510</b>	<b>\$ 6,537,623</b>	<b>\$ 5,756,952</b>	<b>\$ 5,293,361</b>	<b>\$ 5,388,883</b>
<b>Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)</b>	<b>\$ 496,872</b>	<b>\$ 781,625</b>	<b>\$ 1,317,507</b>	<b>\$ 416,971</b>	<b>\$ 745,010</b>	<b>\$ 936,245</b>	<b>\$ 303,283</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)</b>	94.14%	90.22%	82.55%	94.00%	88.54%	84.97%	94.67%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to the Schedule:**

The mortality improvement scale changed from MP-2018 to MP-2019  
The expected long-term investment return and GASB discounting rate were lowered from 5.75% to 5.50%.

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

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Notes to the Required Supplementary Information - Fire Relief Association**

Changes in Actuarial Assumptions

2021 - There were no changes in actuarial assumptions since the previous valuation.

2020 - The mortality improvement scale changed from MP-2018 to MP-2019. The expected long-term investment return and GASB discount rate were lowered from 6.00% to 5.75%. The 20-Year municipal bond rate assumption was lowered from 3.50% to 3.00%

2019 - 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 (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The retirement and withdrawal tables for Police and Fire Personnel were updated. The discount rate was changed from 3.30% to 3.80%. The percent of future retirees electing post-employment medical coverage was changed from 50% to 35%.

2018 - The mortality improvement scale changed from MP-2016 to MP-2017. The assumed annual increase to the benefit level changed from 1.50% to 2.00%.

2017 - The mortality improvement scale changed from MP-2015 to MP-2016.

2016 - The mortality improvement scale changed from MP-2014 to MP-2015. The disability decrement assumption was eliminated.

2015 - No changes in actuarial assumptions.

Changes in Plan Provisions

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

2020 - The monthly benefit level increased from \$39.71 to \$40.89. The lump sum benefit level increased from \$6,073.73 to \$6,255.94.

2019 - The monthly benefit level increased from \$38.55 to \$39.71. The lump sum benefit level increased from \$5,896.83 to \$6,073.73.

2018 - The monthly benefit level increased from \$37.43 to \$38.55. The lump sum benefit level increased from \$5,725.08 to \$5,896.83.

2015 - The City implemented the Provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2014.

City of Savage, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2021

**Schedule of Employer's Fire Relief Association's Contributions**

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/21	\$ 373,022	\$ 373,022	\$ -
12/31/20	361,043	361,043	-
12/31/19	353,096	353,096	-
12/31/18	349,282	349,282	-
12/31/17	346,809	346,809	-
12/31/16	342,739	342,739	-

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

**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 47,133	\$ 36,123	\$ 30,473	\$ 48,000
Interest	23,028	27,914	24,792	24,967
Differences between expected and actual experience	137,186	-	157,406	-
Changes in assumptions	31,360	39,388	(176,605)	-
Benefit payments	(58,777)	(51,039)	(65,724)	(55,868)
Net Change in Total OPEB Liability	179,930	52,386	(29,658)	17,099
Total OPEB Liability - Beginning	776,118	723,732	753,390	736,291
Total OPEB Liability - Ending	<u>\$ 956,048</u>	<u>\$ 776,118</u>	<u>\$ 723,732</u>	<u>\$ 753,390</u>
Covered-Employee Payroll	\$ 10,253,922	\$ 8,980,357	\$ 8,124,416	\$ 8,124,416
City's total OPEB liability as a percentage of covered-employee payroll	9.32 %	8.64 %	8.91 %	9.27 %

*Changes in Method by Year:*

- 2021 None
- 2020 None
- 2019 None
- 2018  
The actuarial cost method was changed from projected unit credit to entry age as prescribed by GASB 75.

*Changes in Assumptions by Year:*

- 2021  
The health care trend rates, mortality tables, and salary increase rates were updated.  
The retirement and withdrawal rates for non-public safety employees was 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 discount rate was changed from 3.80% to 2.90%.
- 2019  
The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP 2016 Generational Improvement Scale with the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale.  
The retirement and withdrawal tables for Police and Fire Personnel were updated.  
The discount rate was changed from 3.3% to 3.8%.  
The percent of future retirees electing post-employment medical coverage was changed from 50% to 35%.
- 2018  
The discount rate was changed from 3.50% to 3.30%.

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

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Nonmajor Special Revenue Funds**

Special revenue funds are established to account for specific revenue or other sources that are designated for financing particular functions or activities as required by deferral regulations, Minnesota statute, City charter provisions, local ordinances, or specific grant agreements. Most of the special revenue funds are related to specific Federal and State housing programs or grants for specific activities.

### **Nonmajor Capital Project Funds**

Capital project funds are established to account for the resources used for the acquisition of capital facilities and infrastructure for the City with the exception of those financed by the enterprise funds.

### **Internal Service Funds**

The Internal Service fund is to account for the financing of goods and services provided by one fund to the other departments of the City. These services are provided on a cost reimbursement basis or are partially or fully self-funded through interest earnings on dedicated reserves.

City of Savage, Minnesota  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 December 31, 2021

	Special Revenue	Capital Projects	Total
<b>Assets</b>			
Cash and investments	\$ 1,636,479	\$ 8,158,849	\$ 9,795,328
Receivables			
Accounts	83,370	-	83,370
Notes	624,820	-	624,820
Due from other funds	-	1,155,000	1,155,000
Prepaid items	-	1,854	1,854
Assets held for resale	174,801	82,788	257,589
 <b>Total Assets</b>	<b>\$ 2,519,470</b>	<b>\$ 9,398,491</b>	<b>\$ 11,917,961</b>
<b>Liabilities</b>			
Accounts payable	\$ 10,026	\$ 267,565	\$ 277,591
Accrued salaries and withholdings payable	1,620	-	1,620
Contracts payable	-	13,354	13,354
Deposits payable	11,792	1,460	13,252
<b>Total Liabilities</b>	<b>23,438</b>	<b>282,379</b>	<b>305,817</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - interest	32,297	-	32,297
<b>Fund Balances</b>			
Nonspendable	-	1,854	1,854
Restricted	-	1,806,191	1,806,191
Committed	2,463,735	-	2,463,735
Assigned	-	7,308,067	7,308,067
<b>Total Fund Balances</b>	<b>2,463,735</b>	<b>9,116,112</b>	<b>11,579,847</b>
 <b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<b>\$ 2,519,470</b>	<b>\$ 9,398,491</b>	<b>\$ 11,917,961</b>

City of Savage, Minnesota  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 For the Year Ended December 31, 2021

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 202,695	\$ -	\$ 202,695
Intergovernmental	28,752	398,120	426,872
Investment earnings (loss)	(2,456)	(12,853)	(15,309)
Miscellaneous			
Loan interest payments	29,294	-	29,294
Refunds and reimbursements	-	29,719	29,719
Rents	231,709	-	231,709
Other	137,408	413,101	550,509
Total Revenues	<u>627,402</u>	<u>828,087</u>	<u>1,455,489</u>
Expenditures			
Current			
General government	376,827	-	376,827
Community development	1,648	-	1,648
Public works	2,306	-	2,306
Culture and recreation	-	29,995	29,995
Capital outlay			
General government	-	371,939	371,939
Public safety	-	242,718	242,718
Public works	-	2,234,120	2,234,120
Culture and recreation	-	2,061,506	2,061,506
Debt service			
Interest and other charges	-	175,789	175,789
Total Expenditures	<u>380,781</u>	<u>5,116,067</u>	<u>5,496,848</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>246,621</u>	<u>(4,287,980)</u>	<u>(4,041,359)</u>
Other Financing Sources (Uses)			
Sale of capital assets	850	365,869	366,719
Transfers in	411,477	4,530,752	4,942,229
Bonds issued	-	2,800,000	2,800,000
Premiums on bonds issued	-	280,573	280,573
Transfers out	(205,000)	(1,199,105)	(1,404,105)
Total Other Financing Sources (Uses)	<u>207,327</u>	<u>6,778,089</u>	<u>6,985,416</u>
Net Change in Fund Balances	453,948	2,490,109	2,944,057
Fund Balances, January 1	<u>2,009,787</u>	<u>6,626,003</u>	<u>8,635,790</u>
Fund Balances, December 31	<u>\$ 2,463,735</u>	<u>\$ 9,116,112</u>	<u>\$ 11,579,847</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Nonmajor special revenue funds presently established are as follows:

**Cable Television Fund** - This fund includes cable television and media services. It is funded through cable franchise and PEG fees. It is used for the operations of the local cable television and provides media services support as needed.

**Economic Development Fund** - This fund is used to account for the economic development activities of the City

**Hamilton Building Fund** - This fund is used to account for the operating activities of the commercial/retail lease space of the Hamilton Building.

**Strom Project Fund** - This fund is used to account for the development and redevelopment initiatives related to business attraction and retention at the Strom Project.

**Post Office Fund** - This fund is used to account for the operating activities related to the Post Office building.

City of Savage, Minnesota  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 December 31, 2021

	<b>201</b>	<b>231</b>	<b>203</b>
	Cable Television	Economic Development	Hamilton Building
<b>Assets</b>			
Cash and investments	\$ 241,929	\$ 697,686	\$ 207,757
Receivables			
Accounts	44,898	28,752	-
Notes	-	582,297	-
Assets held for resale	-	174,801	-
Total Assets	\$ 286,827	\$ 1,483,536	\$ 207,757
<b>Liabilities</b>			
Accounts payable	\$ 490	\$ -	\$ 4,249
Accrued salaries and withholdings payable	1,620	-	-
Deposits payable	-	160	7,232
Total Liabilities	2,110	160	11,481
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - interest	-	32,297	-
<b>Fund Balances</b>			
Committed for			
Cable television	284,717	-	-
Economic development	-	1,451,079	-
Hamilton building	-	-	196,276
Post office	-	-	-
Total Fund Balances	284,717	1,451,079	196,276
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 286,827	\$ 1,483,536	\$ 207,757

<b>208</b>	<b>233</b>	
Strom Project	Post Office	Total
\$ 108,101	\$ 381,006	\$ 1,636,479
-	9,720	83,370
42,523	-	624,820
-	-	174,801
<u>\$ 150,624</u>	<u>\$ 390,726</u>	<u>\$ 2,519,470</u>
\$ -	\$ 5,287	\$ 10,026
-	-	1,620
-	4,400	11,792
-	9,687	23,438
-	-	32,297
-	-	284,717
150,624	-	1,601,703
-	-	196,276
-	381,039	381,039
<u>150,624</u>	<u>381,039</u>	<u>2,463,735</u>
<u>\$ 150,624</u>	<u>\$ 390,726</u>	<u>\$ 2,519,470</u>

City of Savage, Minnesota  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For the Year Ended December 31, 2021

	<b>201</b>	<b>231</b>	<b>203</b>
	Cable Television	Economic Development	Hamilton Building
Revenues			
Taxes	\$ 171,492	\$ 31,203	\$ -
Intergovernmental	-	28,752	-
Investment earnings (loss)	(316)	(1,323)	(440)
Miscellaneous revenues			
Loan interest payments	-	14,286	-
Rents	-	-	140,411
Other	79,912	22,963	34,533
Total Revenues	<u>251,088</u>	<u>95,881</u>	<u>174,504</u>
Expenditures			
Current			
General government	275,767	-	52,314
Community development	-	1,648	-
Public works	-	-	-
Total Expenditures	<u>275,767</u>	<u>1,648</u>	<u>52,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,679)</u>	<u>94,233</u>	<u>122,190</u>
Other Financing Sources (Uses)			
Sale of capital assets	850	-	-
Transfers in	100,000	-	-
Transfers out	-	-	(145,000)
Total Other Financing Sources (Uses)	<u>100,850</u>	<u>-</u>	<u>(145,000)</u>
Net Change in Fund Balances	76,171	94,233	(22,810)
Fund Balances, January 1	<u>208,546</u>	<u>1,356,846</u>	<u>219,086</u>
Fund Balances, December 31	<u>\$ 284,717</u>	<u>\$ 1,451,079</u>	<u>\$ 196,276</u>



<b>208</b>	<b>233</b>	
Strom Project	Post Office	Total
\$ -	\$ -	\$ 202,695
-	-	28,752
(217)	(160)	(2,456)
15,008	-	29,294
-	91,298	231,709
-	-	137,408
<u>14,791</u>	<u>91,138</u>	<u>627,402</u>
-	48,746	376,827
-	-	1,648
2,306	-	2,306
<u>2,306</u>	<u>48,746</u>	<u>380,781</u>
<u>12,485</u>	<u>42,392</u>	<u>246,621</u>
-	-	850
-	311,477	411,477
-	(60,000)	(205,000)
<u>-</u>	<u>251,477</u>	<u>207,327</u>
12,485	293,869	453,948
<u>138,139</u>	<u>87,170</u>	<u>2,009,787</u>
<u>\$ 150,624</u>	<u>\$ 381,039</u>	<u>\$ 2,463,735</u>

City of Savage, Minnesota  
 Cable Television Fund  
 Budgeted Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Franchise taxes	\$ 200,000	\$ 200,000	\$ 171,492	\$ (28,508)	\$ 186,966
Investment earnings (loss)	2,113	2,113	(316)	(2,429)	5,763
Miscellaneous revenues	82,000	82,000	79,912	(2,088)	16,719
Total Revenues	<u>284,113</u>	<u>284,113</u>	<u>251,088</u>	<u>(33,025)</u>	<u>209,448</u>
Expenditures					
Current					
General government	288,358	288,358	275,767	12,591	258,160
Capital outlay					
General government	-	-	-	-	58,406
Total Expenditures	<u>288,358</u>	<u>288,358</u>	<u>275,767</u>	<u>12,591</u>	<u>316,566</u>
Deficiency of Revenues Under Expenditures	<u>(4,245)</u>	<u>(4,245)</u>	<u>(24,679)</u>	<u>(20,434)</u>	<u>(107,118)</u>
Other Financing Sources					
Sale of capital assets	-	-	850	850	-
Transfers in	-	-	100,000	100,000	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>100,850</u>	<u>100,850</u>	<u>-</u>
Net Change in Fund Balances	(4,245)	(4,245)	76,171	80,416	(107,118)
Fund Balances, January 1	<u>208,546</u>	<u>208,546</u>	<u>208,546</u>	<u>-</u>	<u>315,664</u>
Fund Balances, December 31	<u>\$ 204,301</u>	<u>\$ 204,301</u>	<u>\$ 284,717</u>	<u>\$ 80,416</u>	<u>\$ 208,546</u>

**City of Savage, Minnesota**  
 Economic Development Fund  
 Budgeted Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes	\$ 30,000	\$ 30,000	\$ 31,203	\$ 1,203	\$ 30,166
Intergovernmental	-	-	28,752	28,752	-
Investment earnings (loss)	5,577	5,577	(1,323)	(6,900)	12,129
Miscellaneous					
Loan interest payments	14,280	14,280	14,286	6	14,286
Other	22,963	22,963	22,963	-	23,388
Total Revenues	<u>72,820</u>	<u>72,820</u>	<u>95,881</u>	<u>23,061</u>	<u>79,969</u>
Expenditures					
Current					
Community development	<u>10,775</u>	<u>10,775</u>	<u>1,648</u>	<u>9,127</u>	<u>212,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,045	62,045	94,233	32,188	(132,800)
Other Financing Sources					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,111</u>
Net Change in Fund Balances	62,045	62,045	94,233	32,188	74,311
Fund Balances, January 1	<u>1,356,846</u>	<u>1,356,846</u>	<u>1,356,846</u>	<u>-</u>	<u>1,282,535</u>
Fund Balances, December 31	<u>\$ 1,418,891</u>	<u>\$ 1,418,891</u>	<u>\$ 1,451,079</u>	<u>\$ 32,188</u>	<u>\$ 1,356,846</u>

**City of Savage, Minnesota**  
 Hamilton Building Fund  
 Budgeted Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings (loss)	\$ 6,000	\$ 6,000	\$ (440)	\$ (6,440)	\$ 5,624
Miscellaneous					
Rents	125,806	125,806	140,411	14,605	130,099
Other	15,000	15,000	34,533	19,533	17,285
Total Revenues	<u>146,806</u>	<u>146,806</u>	<u>174,504</u>	<u>27,698</u>	<u>153,008</u>
Expenditures					
Current					
General government	<u>43,765</u>	<u>43,765</u>	<u>52,314</u>	<u>(8,549)</u>	<u>37,254</u>
Excess of Revenues Over Expenditures	103,041	103,041	122,190	19,149	115,754
Other Financing Uses					
Transfers out	<u>(145,000)</u>	<u>(145,000)</u>	<u>(145,000)</u>	<u>-</u>	<u>(145,000)</u>
Net Changes in Fund Balances	(41,959)	(41,959)	(22,810)	19,149	(29,246)
Fund Balances, January 1	<u>219,086</u>	<u>219,086</u>	<u>219,086</u>	<u>-</u>	<u>248,332</u>
Fund Balances, December 31	<u>\$ 177,127</u>	<u>\$ 177,127</u>	<u>\$ 196,276</u>	<u>\$ 19,149</u>	<u>\$ 219,086</u>

**City of Savage, Minnesota**  
 Post Office Fund  
 Budgeted Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Investment earnings (loss)	\$ 822	\$ 822	\$ (160)	\$ (982)	\$ 2,578
Miscellaneous					
Rents	94,470	94,470	91,298	(3,172)	94,471
Total Revenues	<u>95,292</u>	<u>95,292</u>	<u>91,138</u>	<u>(4,154)</u>	<u>97,049</u>
Expenditures					
Current					
General government	53,015	53,015	48,746	4,269	64,889
Excess of Revenues Over Expenditures	<u>42,277</u>	<u>42,277</u>	<u>42,392</u>	<u>115</u>	<u>32,160</u>
Other Financing Sources (Uses)					
Transfers in	-	-	311,477	311,477	-
Transfers out	(60,000)	(60,000)	(60,000)	-	(60,000)
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>251,477</u>	<u>311,477</u>	<u>(60,000)</u>
Net Changes in Fund Balances	(17,723)	(17,723)	293,869	311,592	(27,840)
Fund Balances, January 1	<u>87,170</u>	<u>87,170</u>	<u>87,170</u>	<u>-</u>	<u>115,010</u>
Fund Balances, December 31	<u>\$ 69,447</u>	<u>\$ 69,447</u>	<u>\$ 381,039</u>	<u>\$ 311,592</u>	<u>\$ 87,170</u>

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## NONMAJOR CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and construction of major capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by enterprise funds.

Nonmajor capital projects funds presently established are as follows:

**Community Investment Fund** - This fund was established using the remaining amounts of retired bonds for the purpose of financing public projects benefiting the whole community.

**Capital Equipment Certificates Fund** - This fund is used to account for the acquisition of equipment.

**Sidewalk Fund** - This fund is used to account for the fees and charges collected to provide financing for the construction and maintenance of sidewalks in the public right of way.

**Street Infrastructure Fund** - This fund is used to account for the construction and maintenance of public infrastructure.

**Park Dedication Fund** - This fund is used to account for park dedication fees received from land developers. The expenditures consist of acquiring and developing City parks and trails.

**Park Improvement Fund** - This fund is used to account for the long-term maintenance, repairs and replacement of City parks.

**2020 Capital Projects Fund** - This fund is used to account for the construction costs of street improvements.

**2021 Capital Projects Fund** - This fund is used to account for the construction costs of street improvements.

**2022 Capital Projects Fund** - This fund is used to account for the construction costs of street improvements.

City of Savage, Minnesota  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet  
 December 31, 2021

	<b>230</b>	<b>702</b>	<b>503</b>	<b>507</b>	<b>509</b>
	Community Investment	Capital Equipment Certificates	Sidewalk	Street Infrastructure	Park Dedication
<b>Assets</b>					
Cash and investments	\$ 1,763,154	\$ 1,482,181	\$ 321,738	\$ 475,217	\$ 1,894,676
Due from other funds	1,155,000	-	-	-	-
Prepaid items	-	1,854	-	-	-
Assets held for resale	82,788	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 3,000,942</u></b>	<b><u>\$ 1,484,035</u></b>	<b><u>\$ 321,738</u></b>	<b><u>\$ 475,217</u></b>	<b><u>\$ 1,894,676</u></b>
<b>Liabilities</b>					
Accounts payable	\$ 6,594	\$ 83,590	\$ 7,420	\$ 40,534	\$ 75,131
Contracts payable	-	-	-	-	13,354
Deposits payable	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>6,594</u></b>	<b><u>83,590</u></b>	<b><u>7,420</u></b>	<b><u>40,534</u></b>	<b><u>88,485</u></b>
<b>Fund Balances</b>					
Nonspendable	-	1,854	-	-	-
Restricted for Capital projects	-	-	-	-	1,806,191
Assigned for Capital projects	2,994,348	1,398,591	314,318	434,683	-
<b>Total Fund Balances</b>	<b><u>2,994,348</u></b>	<b><u>1,400,445</u></b>	<b><u>314,318</u></b>	<b><u>434,683</u></b>	<b><u>1,806,191</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,000,942</u></b>	<b><u>\$ 1,484,035</u></b>	<b><u>\$ 321,738</u></b>	<b><u>\$ 475,217</u></b>	<b><u>\$ 1,894,676</u></b>



<b>511</b>	<b>537</b>	<b>538</b>	<b>539</b>	
Park Improvement	2020 Capital Projects	2021 Capital Projects	2022 Capital Projects	Total
\$ 781,783	\$ 1,420	\$ 1,298,336	\$ 140,344	\$ 8,158,849
-	-	-	-	1,155,000
-	-	-	-	1,854
-	-	-	-	82,788
<u>\$ 781,783</u>	<u>\$ 1,420</u>	<u>\$ 1,298,336</u>	<u>\$ 140,344</u>	<u>\$ 9,398,491</u>
\$ -	\$ 1,420	\$ 45,034	\$ 7,842	\$ 267,565
-	-	-	-	13,354
1,460	-	-	-	1,460
<u>1,460</u>	<u>1,420</u>	<u>45,034</u>	<u>7,842</u>	<u>282,379</u>
-	-	-	-	1,854
-	-	-	-	1,806,191
780,323	-	1,253,302	132,502	7,308,067
<u>780,323</u>	<u>-</u>	<u>1,253,302</u>	<u>132,502</u>	<u>9,116,112</u>
<u>\$ 781,783</u>	<u>\$ 1,420</u>	<u>\$ 1,298,336</u>	<u>\$ 140,344</u>	<u>\$ 9,398,491</u>

City of Savage, Minnesota  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 For the Year Ended December 31, 2021

	230	702	503	507	509
	Community Investment	Capital Equipment Certificates	Sidewalk	Street Infrastructure	Park Dedication
<b>Revenues</b>					
Intergovernmental					
State of Minnesota	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	95,000	-
Investment earnings (loss)	(2,592)	(3,031)	(637)	(802)	(2,973)
Miscellaneous					
Refunds and reimbursements	-	-	-	-	20,000
Other	-	4,709	-	-	272,617
<b>Total Revenues</b>	<u>(2,592)</u>	<u>1,678</u>	<u>(637)</u>	<u>94,198</u>	<u>289,644</u>
<b>Expenditures</b>					
Current					
Culture and recreation	-	-	-	-	-
Capital outlay					
General government	314,357	57,582	-	-	-
Public safety	-	242,718	-	-	-
Public works	-	29,888	-	187,139	-
Culture and recreation	-	831,855	-	-	1,170,714
Debt service					
Interest and other charges	-	23,182	36,802	-	310
<b>Total Expenditures</b>	<u>314,357</u>	<u>1,185,225</u>	<u>36,802</u>	<u>187,139</u>	<u>1,171,024</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(316,949)</u>	<u>(1,183,547)</u>	<u>(37,439)</u>	<u>(92,941)</u>	<u>(881,380)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	365,869	-	-	-
Transfers in	626,960	243,320	-	-	427,900
Bonds issued	-	775,000	-	-	-
Premium on bonds issued	-	126,061	-	-	-
Transfers out	(250,000)	-	-	-	-
<b>Total Other Financing   Sources (Uses)</b>	<u>376,960</u>	<u>1,510,250</u>	<u>-</u>	<u>-</u>	<u>427,900</u>
<b>Net Changes in Fund Balances</b>	60,011	326,703	(37,439)	(92,941)	(453,480)
Fund Balances, January 1	<u>2,934,337</u>	<u>1,073,742</u>	<u>351,757</u>	<u>527,624</u>	<u>2,259,671</u>
Fund Balances, December 31	<u>\$ 2,994,348</u>	<u>\$ 1,400,445</u>	<u>\$ 314,318</u>	<u>\$ 434,683</u>	<u>\$ 1,806,191</u>

511	537	538	539	
Park Improvement	2020 Capital Projects	2021 Capital Projects	2022 Capital Projects	Total
\$ -	303,120	\$ -	\$ -	\$ 303,120
-	-	-	-	95,000
(1,521)	298	(1,595)	-	(12,853)
9,719	-	-	-	29,719
135,775	-	-	-	413,101
<u>143,973</u>	<u>303,418</u>	<u>(1,595)</u>	<u>-</u>	<u>828,087</u>
29,995	-	-	-	29,995
-	-	-	-	371,939
-	-	-	-	242,718
-	43,615	1,935,980	37,498	2,234,120
58,937	-	-	-	2,061,506
56,513	-	58,982	-	175,789
<u>145,445</u>	<u>43,615</u>	<u>1,994,962</u>	<u>37,498</u>	<u>5,116,067</u>
<u>(1,472)</u>	<u>259,803</u>	<u>(1,996,557)</u>	<u>(37,498)</u>	<u>(4,287,980)</u>
-	-	-	-	365,869
-	2,327,500	735,072	170,000	4,530,752
-	-	2,025,000	-	2,800,000
-	-	154,512	-	280,573
-	(949,105)	-	-	(1,199,105)
-	1,378,395	2,914,584	170,000	6,778,089
(1,472)	1,638,198	918,027	132,502	2,490,109
781,795	(1,638,198)	335,275	-	6,626,003
<u>\$ 780,323</u>	<u>\$ -</u>	<u>\$ 1,253,302</u>	<u>\$ 132,502</u>	<u>\$ 9,116,112</u>

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City of Savage, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Continued)  
For the Year Ended December 31, 2021  
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Taxes					
General property	\$ 15,006,431	\$ 15,006,431	\$ 14,911,048	\$ (95,383)	\$ 13,945,457
Gravel tax	19,000	19,000	20,320	1,320	21,146
Total taxes	<u>15,025,431</u>	<u>15,025,431</u>	<u>14,931,368</u>	<u>(94,063)</u>	<u>13,966,603</u>
Licenses and permits					
Business	84,150	84,150	75,116	(9,034)	91,315
Non-business	525,450	525,450	700,829	175,379	820,700
Total licenses and permits	<u>609,600</u>	<u>609,600</u>	<u>775,945</u>	<u>166,345</u>	<u>912,015</u>
Intergovernmental					
Federal					
Grants	15,000	35,000	37,960	2,960	16,241
State					
Local performance aid	4,400	4,400	4,545	145	4,514
MSA maintenance aid	37,725	37,725	37,755	30	37,725
Fire aid	160,000	199,000	199,003	3	188,508
Police aid	330,100	412,500	417,908	5,408	344,595
Other state aid	14,000	54,700	54,701	1	25,889
County					
Other county grants	3,000	12,000	9,999	(2,001)	17,817
Local					
Miscellaneous	42,584	42,584	44,407	1,823	43,782
Total intergovernmental	<u>606,809</u>	<u>797,909</u>	<u>806,278</u>	<u>8,369</u>	<u>679,071</u>
Charges for services					
General government	1,050	1,050	1,721	671	850
Community development	570,000	570,000	739,023	169,023	733,646
Public safety	24,500	24,500	23,568	(932)	11,696
Public works	1,000	1,000	9,749	8,749	4,009
Culture and recreation	141,000	141,000	182,301	41,301	77,926
Total charges for services	<u>737,550</u>	<u>737,550</u>	<u>956,362</u>	<u>218,812</u>	<u>828,127</u>
Fines and forfeitures	40,000	40,000	123,445	83,445	39,684
Special assessments	-	-	1,205	1,205	489
Investment earnings (loss)	100,000	100,000	(19,261)	(119,261)	196,008
Miscellaneous revenues					
Contributions and donations	7,000	105,659	98,659	(7,000)	49,993
Rent	62,000	62,000	65,545	3,545	41,390
Refunds and reimbursements	5,000	5,000	246	(4,754)	7,741
Other	26,000	26,000	51,637	25,637	19,169
Total miscellaneous	<u>100,000</u>	<u>198,659</u>	<u>216,087</u>	<u>17,428</u>	<u>118,293</u>
Total Revenues	<u>17,219,390</u>	<u>17,509,149</u>	<u>17,791,429</u>	<u>282,280</u>	<u>16,740,290</u>

City of Savage, Minnesota  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Continued)  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021				2020
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and council					
Personnel services	\$ 42,644	\$ 42,644	\$ 42,637	\$ 7	\$ 42,638
Supplies	750	750	185	565	311
Other services and charges	69,722	69,722	60,976	8,746	67,299
Total mayor and council	<u>113,116</u>	<u>113,116</u>	<u>103,798</u>	<u>9,318</u>	<u>110,248</u>
Administration					
Personnel services	696,596	696,596	649,362	47,234	514,897
Supplies	12,000	12,000	12,833	(833)	12,984
Other services and charges	76,650	124,013	115,641	8,372	51,430
Total administration	<u>785,246</u>	<u>832,609</u>	<u>777,836</u>	<u>54,773</u>	<u>579,311</u>
Elections					
Personnel services	-	-	-	-	14,824
Supplies	-	-	-	-	808
Other services and charges	5,700	5,700	-	5,700	34,730
Total elections	<u>5,700</u>	<u>5,700</u>	<u>-</u>	<u>5,700</u>	<u>50,362</u>
General government buildings					
Personnel services	392,934	392,934	385,951	6,983	354,569
Supplies	39,000	47,034	20,425	26,609	18,260
Other services and charges	152,484	196,047	170,274	25,773	181,722
Total general government buildings	<u>584,418</u>	<u>636,015</u>	<u>576,650</u>	<u>59,365</u>	<u>554,551</u>
Communications					
Supplies	8,600	8,600	9,280	(680)	5,734
Other services and charges	64,310	67,310	58,746	8,564	68,074
Total communications	<u>72,910</u>	<u>75,910</u>	<u>68,026</u>	<u>7,884</u>	<u>73,808</u>
Finance					
Personnel services	302,901	302,901	311,829	(8,928)	298,105
Supplies	4,800	34,267	28,806	5,461	3,047
Other services and charges	350,855	358,855	349,668	9,187	320,067
Total finance	<u>658,556</u>	<u>696,023</u>	<u>690,303</u>	<u>5,720</u>	<u>621,219</u>
Legal					
Other services and charges	<u>130,000</u>	<u>130,000</u>	<u>127,143</u>	<u>2,857</u>	<u>128,954</u>
Management information systems (MIS)					
Personnel services	225,808	225,808	223,496	2,312	193,710
Supplies	46,250	46,250	7,033	39,217	18,301
Other services and charges	173,325	173,325	128,958	44,367	106,861
Total MIS	<u>445,383</u>	<u>445,383</u>	<u>359,487</u>	<u>85,896</u>	<u>318,872</u>

City of Savage, Minnesota  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Continued)  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Total general government	\$ 2,795,329	\$ 2,934,756	\$ 2,703,243	\$ 231,513	\$ 2,437,325
Community development					
Geographic information systems (GIS)					
Personnel services	118,787	103,787	53,081	50,706	108,847
Supplies	8,000	4,500	3,285	1,215	1,305
Other services and charges	23,500	14,500	15,026	(526)	11,852
Total GIS	<u>150,287</u>	<u>122,787</u>	<u>71,392</u>	<u>51,395</u>	<u>122,004</u>
Community development					
Personnel services	299,212	326,212	316,310	9,902	286,851
Supplies	2,900	6,072	3,942	2,130	487
Other services and charges	30,850	47,350	57,710	(10,360)	17,707
Total community development	<u>332,962</u>	<u>379,634</u>	<u>377,962</u>	<u>1,672</u>	<u>305,045</u>
Building inspection					
Personnel services	604,210	604,210	599,854	4,356	552,817
Supplies	10,700	15,300	14,076	1,224	7,772
Other services and charges	59,069	59,069	55,863	3,206	50,876
Total building inspection	<u>673,979</u>	<u>678,579</u>	<u>669,793</u>	<u>8,786</u>	<u>611,465</u>
Total community development	<u>1,157,228</u>	<u>1,181,000</u>	<u>1,119,147</u>	<u>61,853</u>	<u>1,038,514</u>
Public safety					
Police					
Personnel services	5,972,385	6,029,385	5,918,117	111,268	4,664,363
Supplies	206,075	234,047	238,025	(3,978)	274,606
Other services and charges	526,085	533,774	540,258	(6,484)	495,131
Total police	<u>6,704,545</u>	<u>6,797,206</u>	<u>6,696,400</u>	<u>100,806</u>	<u>5,434,100</u>
Fire					
Personnel services	1,271,826	1,461,374	1,226,793	234,581	709,932
Supplies	145,870	156,805	126,621	30,184	85,746
Other services and charges	232,533	419,802	417,833	1,969	433,484
Total fire	<u>1,650,229</u>	<u>2,037,981</u>	<u>1,771,247</u>	<u>266,734</u>	<u>1,229,162</u>
Total public safety	<u>8,354,774</u>	<u>8,835,187</u>	<u>8,467,647</u>	<u>367,540</u>	<u>6,663,262</u>

City of Savage, Minnesota  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual (Continued)  
 For the Year Ended December 31, 2021  
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public works					
Administration					
Personnel services	\$ 172,950	\$ 172,950	\$ 183,513	\$ (10,563)	\$ 174,527
Supplies	25,950	33,879	28,524	5,355	22,827
Other services and charges	173,113	222,993	190,512	32,481	163,190
Total administration	<u>372,013</u>	<u>429,822</u>	<u>402,549</u>	<u>27,273</u>	<u>360,544</u>
Maintenance (streets and alleys)					
Personnel services	929,315	929,315	805,903	123,412	731,492
Supplies	140,900	140,900	137,071	3,829	126,425
Other services and charges	258,141	258,141	208,413	49,728	249,397
Total maintenance	<u>1,328,356</u>	<u>1,328,356</u>	<u>1,151,387</u>	<u>176,969</u>	<u>1,107,314</u>
Engineering					
Personnel services	615,093	615,093	603,600	11,493	571,979
Supplies	15,000	15,000	7,059	7,941	6,172
Other services and charges	111,580	111,580	39,056	72,524	44,995
Total engineering	<u>741,673</u>	<u>741,673</u>	<u>649,715</u>	<u>91,958</u>	<u>623,146</u>
Snow and ice removal					
Personnel services	14,612	14,612	35,416	(20,804)	25,816
Supplies	154,000	154,000	73,716	80,284	154,476
Other services and charges	72,100	72,100	55,028	17,072	67,125
Total snow and ice removal	<u>240,712</u>	<u>240,712</u>	<u>164,160</u>	<u>76,552</u>	<u>247,417</u>
Vehicle maintenance					
Personnel services	190,212	190,212	210,343	(20,131)	180,807
Supplies	77,500	77,500	69,441	8,059	69,483
Other services and charges	54,550	54,550	42,807	11,743	62,949
Total vehicle maintenance	<u>322,262</u>	<u>322,262</u>	<u>322,591</u>	<u>(329)</u>	<u>313,239</u>
Total public works	<u>3,005,016</u>	<u>3,062,825</u>	<u>2,690,402</u>	<u>372,423</u>	<u>2,651,660</u>
Culture and recreation					
Parks and recreation					
Personnel services	1,433,854	1,433,854	1,396,152	37,702	1,233,028
Supplies	212,000	228,795	201,481	27,314	142,865
Other services and charges	293,300	293,300	343,392	(50,092)	257,241
Total parks and recreation	<u>1,939,154</u>	<u>1,955,949</u>	<u>1,941,025</u>	<u>14,924</u>	<u>1,633,134</u>
Library					
Supplies	6,000	6,000	3,251	2,749	2,894
Other services and charges	52,846	90,286	96,981	(6,695)	150,305
Total library	<u>58,846</u>	<u>96,286</u>	<u>100,232</u>	<u>(3,946)</u>	<u>153,199</u>



City of Savage, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Continued)  
For the Year Ended December 31, 2021  
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	2021			Variance with Final Budget	2020
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Forestry and natural resources					
Personnel services	\$ 96,943	\$ 124,243	\$ 123,195	\$ 1,048	\$ 102,419
Supplies	14,700	10,400	10,386	14	10,015
Other services and charges	17,400	9,400	9,475	(75)	5,620
Total forestry and natural resources	<u>129,043</u>	<u>144,043</u>	<u>143,056</u>	<u>987</u>	<u>118,054</u>
Total culture and recreation	<u>2,127,043</u>	<u>2,196,278</u>	<u>2,184,313</u>	<u>11,965</u>	<u>1,904,387</u>
Total current	<u>17,439,390</u>	<u>18,210,046</u>	<u>17,164,752</u>	<u>1,045,294</u>	<u>14,695,148</u>
Capital outlay					
General government	-	-	-	-	16,448
Public safety	30,000	192,419	166,692	25,727	156,449
Public works	-	12,410	26,318	(13,908)	-
Culture and recreation	-	-	-	-	26,739
Total capital outlay	<u>30,000</u>	<u>204,829</u>	<u>193,010</u>	<u>11,819</u>	<u>199,636</u>
Total Expenditures	<u>17,469,390</u>	<u>18,414,875</u>	<u>17,357,762</u>	<u>1,057,113</u>	<u>14,894,784</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>(250,000)</u>	<u>(905,726)</u>	<u>433,667</u>	<u>1,339,393</u>	<u>1,845,506</u>
Other Financing Sources (Uses)					
Transfers in	250,000	290,300	290,419	119	264,000
Transfers out	-	(54,797)	(1,054,797)	(1,000,000)	(700,000)
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>235,503</u>	<u>(764,378)</u>	<u>(999,881)</u>	<u>(436,000)</u>
Net Change in Fund Balances	-	(670,223)	(330,711)	339,512	1,409,506
Fund Balances, January 1	<u>9,791,322</u>	<u>9,791,322</u>	<u>9,791,322</u>	-	<u>8,381,816</u>
Fund Balances, December 31	<u>\$ 9,791,322</u>	<u>\$ 9,121,099</u>	<u>\$ 9,460,611</u>	<u>\$ 339,512</u>	<u>\$ 9,791,322</u>

City of Savage, Minnesota  
Debt Service Funds  
Combining Balance Sheet (Continued)  
December 31, 2021

	<b>331</b>	<b>336</b>	<b>339</b>	<b>341</b>
	2006C/2017B Recreation Refunding	2018B G.O. Refunding Bonds	2009A G.O. Street Reconstruction/CIP Bonds	2010A/2020B G.O. Build America Bonds
<b>Assets</b>				
Cash and investments	\$ 335,814	\$ 304,640	\$ 342,632	\$ 646,176
Receivables				
Taxes - current	547	-	-	-
Taxes - delinquent	1,307	-	-	-
Special assessments - current	-	-	3	-
Special assessments - delinquent	-	-	-	-
Special assessments - deferred	-	24,620	26,032	15,559
<b>Total Assets</b>	<u>\$ 337,668</u>	<u>\$ 329,260</u>	<u>\$ 368,667</u>	<u>\$ 661,735</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes	\$ 1,307	\$ -	\$ -	\$ -
Unavailable revenue - special assessments	-	24,620	26,032	15,559
<b>Total Deferred Inflows     of Resources</b>	1,307	24,620	26,032	15,559
<b>Fund Balances</b>				
Restricted for debt service	<u>336,361</u>	<u>304,640</u>	<u>342,635</u>	<u>646,176</u>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 337,668</u>	<u>\$ 329,260</u>	<u>\$ 368,667</u>	<u>\$ 661,735</u>

<b>344</b> 2011A G.O. Street Reconstruction/CIP Bonds	<b>346</b> 2012A G.O. Bonds	<b>347</b> 2020C/2013A G.O. Bonds
\$ -	\$ 355,448	\$ 376,986
-	-	-
-	-	-
-	-	-
-	139,128	217,126
<u>\$ -</u>	<u>\$ 494,576</u>	<u>\$ 594,112</u>
\$ -	\$ -	\$ -
-	139,128	217,126
-	139,128	217,126
-	355,448	376,986
<u>\$ -</u>	<u>\$ 494,576</u>	<u>\$ 594,112</u>

City of Savage, Minnesota  
Debt Service Funds  
Combining Balance Sheet (Continued)  
December 31, 2020

	<b>348</b>	<b>349</b>	<b>350</b>	<b>351</b>	<b>352</b>	<b>353</b>
	2013B	2014A	2014B	2015A	2015B	2016A
	G.O. Refunding	G.O.	Advance Refunding	G.O.	Crossover Refunding	G.O. Street
	Bonds	Bonds	(2006 EDA Lease)	Bonds	(2006A Bonds)	Improvement
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
<b>Assets</b>						
Cash and investments	\$ -	\$ 295,836	\$ 813,137	\$ 444,360	\$ 443,918	\$ 355,824
Receivables						
Taxes - current	-	-	-	-	-	-
Taxes - delinquent	-	-	-	-	-	-
Special assessments - current	-	-	-	-	229	-
Special assessments - delinquent	-	-	-	171	-	-
Special assessments - deferred	-	68,548	-	170,438	1,080	23,423
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 364,384</u>	<u>\$ 813,137</u>	<u>\$ 614,969</u>	<u>\$ 445,227</u>	<u>\$ 379,247</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unavailable revenue - special assessments	-	68,548	-	170,609	1,080	23,423
<b>Total Deferred Inflows of Resources</b>	-	68,548	-	170,609	1,080	23,423
<b>Fund Balances</b>						
Restricted for debt service	-	295,836	813,137	444,360	444,147	355,824
<b>Total Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ -</u>	<u>\$ 364,384</u>	<u>\$ 813,137</u>	<u>\$ 614,969</u>	<u>\$ 445,227</u>	<u>\$ 379,247</u>

<b>354</b> 2017A G.O. Street Improvement Bonds	<b>355</b> 2018A G.O. Street Improvement Bonds	<b>356</b> 2019A G.O. Street Improvement Bonds	<b>357</b> 2020A G.O. Street Improvement Bonds	<b>358</b> 2021A G.O. Bonds	<b>372</b> Capital Lease	<b>399</b> Debt Service Revolving Fund	Total
\$ 533,674	\$ 637,124	\$ 1,007,010	\$ 494,323	\$ 397,922	\$ 18,799	\$ 3,016,387	\$ 10,820,010
-	-	-	-	-	-	-	547
-	-	-	-	-	-	-	1,307
2,390	353	-	-	-	-	1,882	4,857
317	172	170	365	-	-	2,110	3,305
<u>53,602</u>	<u>623,285</u>	<u>311,382</u>	<u>249,565</u>	<u>608,414</u>	<u>-</u>	<u>1,190,697</u>	<u>3,722,899</u>
<u>\$ 589,983</u>	<u>\$ 1,260,934</u>	<u>\$ 1,318,562</u>	<u>\$ 744,253</u>	<u>\$ 1,006,336</u>	<u>\$ 18,799</u>	<u>\$ 4,211,076</u>	<u>\$ 14,552,925</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,307
<u>53,919</u>	<u>623,457</u>	<u>311,552</u>	<u>249,930</u>	<u>608,414</u>	<u>-</u>	<u>1,192,807</u>	<u>3,726,204</u>
53,919	623,457	311,552	249,930	608,414	-	1,192,807	3,727,511
<u>536,064</u>	<u>637,477</u>	<u>1,007,010</u>	<u>494,323</u>	<u>397,922</u>	<u>18,799</u>	<u>3,018,269</u>	<u>10,825,414</u>
<u>\$ 589,983</u>	<u>\$ 1,260,934</u>	<u>\$ 1,318,562</u>	<u>\$ 744,253</u>	<u>\$ 1,006,336</u>	<u>\$ 18,799</u>	<u>\$ 4,211,076</u>	<u>\$ 14,552,925</u>

City of Savage, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances (Continued)  
For the Year Ended December 31, 2021

	<b>331</b>	<b>336</b>	<b>339</b>	<b>341</b>
	2006C/2017B Recreation Refunding	2018B G.O. Refunding Bonds	2009A G.O. Street Reconstruction/CIP Bonds	2010A/2020B G.O. Build America Bonds
Revenues				
Taxes	\$ 229,348	\$ 120,000	\$ 320,700	\$ 240,000
Special assessments	-	61,981	11,702	2,968
Investment earnings (loss)	(657)	(560)	(560)	(1,221)
Total Revenues	<u>228,691</u>	<u>181,421</u>	<u>331,842</u>	<u>241,747</u>
Expenditures				
Debt service				
Principal	315,000	195,000	260,000	255,000
Interest and other charges	14,925	26,225	66,000	96,058
Total Expenditures	<u>329,925</u>	<u>221,225</u>	<u>326,000</u>	<u>351,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(101,234)</u>	<u>(39,804)</u>	<u>5,842</u>	<u>(109,311)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Premiums on bonds issued	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(101,234)	(39,804)	5,842	(109,311)
Fund Balances, January 1	<u>437,595</u>	<u>344,444</u>	<u>336,793</u>	<u>755,487</u>
Fund Balances, December 31	<u>\$ 336,361</u>	<u>\$ 304,640</u>	<u>\$ 342,635</u>	<u>\$ 646,176</u>

<b>344</b>	<b>346</b>	<b>347</b>
2011A G.O. Street Reconstruction/CIP Bonds	2012A G.O. Bonds	2020C/2013A G.O. Bonds
\$ -	\$ 240,000	\$ 650,000
-	34,230	53,404
-	(612)	(2,546)
<u>-</u>	<u>273,618</u>	<u>700,858</u>
2,375,000	230,000	2,745,000
39,582	44,894	114,275
<u>2,414,582</u>	<u>274,894</u>	<u>2,859,275</u>
<u>(2,414,582)</u>	<u>(1,276)</u>	<u>(2,158,417)</u>
217,179	-	-
-	-	-
-	-	-
<u>217,179</u>	<u>-</u>	<u>-</u>
(2,197,403)	(1,276)	(2,158,417)
<u>2,197,403</u>	<u>356,724</u>	<u>2,535,403</u>
<u>\$ -</u>	<u>\$ 355,448</u>	<u>\$ 376,986</u>

City of Savage, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances (Continued)  
For the Year Ended December 31, 2021

	<b>348</b>	<b>349</b>	<b>350</b>	<b>351</b>	<b>352</b>	<b>353</b>	<b>354</b>
	2013B	2014A	2014B	2015A	2015B	2016A	2017A
	G.O. Refunding	G.O.	Advance Refunding	G.O.	Crossover Refunding	G.O. Street	G.O. Street
	Bonds	Bonds	(2006 EDA Lease)	Bonds	(2006A Bonds)	Improvement	Improvement
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
<b>Revenues</b>							
Taxes	\$ -	\$ 149,000	\$ 548,000	\$ 232,000	\$ 377,000	\$ 324,000	\$ 430,000
Special assessments	-	23,428	-	34,667	30,271	4,329	58,111
Investment earnings	-	(540)	(1,445)	(853)	(796)	(606)	(925)
<b>Total Revenues</b>	<u>-</u>	<u>171,888</u>	<u>546,555</u>	<u>265,814</u>	<u>406,475</u>	<u>327,723</u>	<u>487,186</u>
<b>Expenditures</b>							
Debt service							
Principal	83,200	155,000	520,000	340,000	450,000	295,000	465,000
Interest and other charges	832	46,325	78,619	71,063	16,563	52,975	56,700
<b>Total Expenditures</b>	<u>84,032</u>	<u>201,325</u>	<u>598,619</u>	<u>411,063</u>	<u>466,563</u>	<u>347,975</u>	<u>521,700</u>
<b>Excess (Deficiency) of Revenues</b>							
<b>Over (Under) Expenditures</b>	<u>(84,032)</u>	<u>(29,437)</u>	<u>(52,064)</u>	<u>(145,249)</u>	<u>(60,088)</u>	<u>(20,252)</u>	<u>(34,514)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	-	-	-
Premiums on bonds issued	-	-	-	-	-	-	-
Transfers out	(297,458)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(297,458)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(381,490)	(29,437)	(52,064)	(145,249)	(60,088)	(20,252)	(34,514)
<b>Fund Balances, January 1</b>	<u>381,490</u>	<u>325,273</u>	<u>865,201</u>	<u>589,609</u>	<u>504,235</u>	<u>376,076</u>	<u>570,578</u>
<b>Fund Balances, December 31</b>	<u>\$ -</u>	<u>\$ 295,836</u>	<u>\$ 813,137</u>	<u>\$ 444,360</u>	<u>\$ 444,147</u>	<u>\$ 355,824</u>	<u>\$ 536,064</u>



<b>355</b> 2018A G.O. Street Improvement Bonds	<b>356</b> 2019A G.O. Street Improvement Bonds	<b>357</b> 2020A G.O. Street Improvement Bonds	<b>358</b> 2021A G.O. Bonds	<b>372</b> Capital Lease	<b>399</b> Debt Service Revolving Fund	Eliminations	Total
\$ 219,000	\$ 347,785	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ 4,736,833
120,115	69,213	56,648	343,453	-	186,737	-	1,091,257
(1,156)	(1,841)	(676)	(719)	(43)	(5,787)	-	(21,543)
<u>337,959</u>	<u>415,157</u>	<u>365,972</u>	<u>342,734</u>	<u>(43)</u>	<u>180,950</u>	<u>-</u>	<u>5,806,547</u>
285,000	335,000	-	-	115,000	-	-	9,418,200
83,750	110,975	86,217	-	31,308	15,950	-	1,053,236
<u>368,750</u>	<u>445,975</u>	<u>86,217</u>	<u>-</u>	<u>146,308</u>	<u>15,950</u>	<u>-</u>	<u>10,471,436</u>
(30,791)	(30,818)	279,755	342,734	(146,351)	165,000	-	(4,664,889)
-	-	-	-	145,000	1,046,562	(217,179)	1,191,562
-	-	-	55,188	-	-	-	55,188
-	-	-	-	-	(217,179)	217,179	(297,458)
-	-	-	55,188	145,000	829,383	-	949,292
(30,791)	(30,818)	279,755	397,922	(1,351)	994,383	-	(3,715,597)
668,268	1,037,828	214,568	-	20,150	2,023,886	-	14,541,011
<u>\$ 637,477</u>	<u>\$ 1,007,010</u>	<u>\$ 494,323</u>	<u>\$ 397,922</u>	<u>\$ 18,799</u>	<u>\$ 3,018,269</u>	<u>\$ -</u>	<u>\$ 10,825,414</u>

City of Savage, Minnesota  
 Summary Financial Report  
 Revenues and Expenditures For General Operations  
 Governmental Funds  
 For the Years Ended December 31, 2021 and 2020

	Total		Percent Increase (Decrease)
	2021	2020	
Revenues			
Taxes	\$ 20,529,247	\$ 19,447,810	5.56 %
Licenses and permits	775,945	912,015	(14.92)
Intergovernmental	2,404,960	4,569,363	(47.37)
Charges for services	956,362	828,127	15.48
Fines and forfeits	123,445	39,684	211.07
Special assessments	1,108,876	1,095,951	1.18
Investment earnings (loss)	(62,480)	599,729	(110.42)
Miscellaneous	1,057,318	792,889	33.35
	<u>\$ 26,893,673</u>	<u>\$ 28,285,568</u>	(4.92) %
Total Revenues	<u>\$ 26,893,673</u>	<u>\$ 28,285,568</u>	(4.92) %
Per capita	\$ 827	\$ 871	(5.07) %
Expenditures			
Current			
General government	\$ 3,106,005	\$ 3,260,369	(4.73) %
Public safety	8,469,419	8,018,520	5.62
Public works	2,776,376	2,668,115	4.06
Culture and recreation	2,214,308	1,936,535	14.34
Community development	1,120,795	1,454,335	(22.93)
Capital outlay	6,317,239	7,812,949	(19.14)
Debt service			
Principal	9,418,200	4,716,600	99.68
Interest and other charges	1,229,775	1,256,333	(2.11)
Issuance costs	-	48,057	(100.00)
	<u>\$ 34,652,117</u>	<u>\$ 31,171,813</u>	11.16 %
Total Expenditures	<u>\$ 34,652,117</u>	<u>\$ 31,171,813</u>	11.16 %
Per capita	\$ 1,066	\$ 960	10.99 %
Total Long-term indebtedness	\$ 33,947,677	\$ 40,502,200	(16.18) %
Per capita	1,044	1,248	(16.31)
General Fund Balance - December 31	\$ 9,460,611	\$ 9,791,322	(3.38) %
Per capita	291	302	(3.53)

The purpose of this report is to provide a summary of financial information concerning the City of Savage to interested citizens. The complete financial statements may be examined at City Hall, 6000 McColl Drive, Minnesota 55378. Questions about his report should be directed to Julie Stahl, Finance Director, at (952)-882-2691.

STATISTICAL SECTION (UNAUDITED)

CITY OF SAVAGE  
SAVAGE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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## **STATISTICAL SECTION (UNAUDITED)**

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

City of Savage, Minnesota  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

Table 1

	Fiscal Year			
	2012	2013	2014	2015
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 51,868,908	\$ 55,245,476	\$ 56,875,347	\$ 56,788,519
Restricted	26,923,205	24,780,907	27,661,964	26,379,496
Unrestricted	4,828,615	4,300,332	4,808,819	346,467
<b>Total Governmental Activities Net Position</b>	<b>\$ 83,620,728</b>	<b>\$ 84,326,715</b>	<b>\$ 89,346,130</b>	<b>\$ 83,514,482</b>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 57,394,271	\$ 56,798,875	\$ 58,707,155	\$ 58,349,577
Restricted	186,213	186,213	186,213	186,213
Unrestricted	13,433,615	11,657,075	9,650,137	10,250,984
<b>Total Business-type Activities Net Position</b>	<b>\$ 71,014,099</b>	<b>\$ 68,642,163</b>	<b>\$ 68,543,505</b>	<b>\$ 68,786,774</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 99,215,256	\$ 101,888,966	\$ 105,769,655	\$ 105,597,787
Restricted	27,109,418	24,967,120	27,848,177	26,565,709
Unrestricted	28,310,153	26,112,792	24,271,803	20,137,760
<b>Total Primary Government Net Position</b>	<b>\$ 154,634,827</b>	<b>\$ 152,968,878</b>	<b>\$ 157,889,635</b>	<b>\$ 152,301,256</b>

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated.

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

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Source: City of Savage, audited financial statements.

Table 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 52,404,031	\$ 56,043,065	\$ 60,647,943	\$ 61,931,750	\$ 59,437,507	\$ 63,409,856
23,798,360	15,945,047	15,881,764	15,762,927	20,053,358	15,964,668
6,125,991	6,952,544	4,466,178	5,330,287	7,564,858	9,591,841
<u>\$ 82,328,382</u>	<u>\$ 78,940,656</u>	<u>\$ 80,995,885</u>	<u>\$ 83,024,964</u>	<u>\$ 87,055,723</u>	<u>\$ 88,966,365</u>
\$ 58,757,241	\$ 62,456,787	\$ 63,945,940	\$ 65,957,294	\$ 64,851,418	\$ 63,167,051
186,213	186,213	186,213	-	-	-
10,765,788	12,020,899	12,930,955	14,585,777	15,807,659	18,559,964
<u>\$ 69,709,242</u>	<u>\$ 74,663,899</u>	<u>\$ 77,063,108</u>	<u>\$ 80,543,071</u>	<u>\$ 80,659,077</u>	<u>\$ 81,727,015</u>
\$ 111,161,272	\$ 118,499,852	\$ 124,593,883	\$ 127,889,044	\$ 124,288,925	\$ 126,576,907
23,984,573	16,131,260	16,067,977	15,762,927	20,053,358	15,964,668
16,891,779	18,973,443	17,397,133	19,916,064	23,372,517	28,151,805
<u>\$ 152,037,624</u>	<u>\$ 153,604,555</u>	<u>\$ 158,058,993</u>	<u>\$ 163,568,035</u>	<u>\$ 167,714,800</u>	<u>\$ 170,693,380</u>

City of Savage, Minnesota  
Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

Table 2

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental Activities				
General government	\$ 2,579,553	\$ 2,586,203	\$ 2,635,204	\$ 2,808,358
Community development	731,022	1,492,904	1,126,253	880,952
Public safety	5,881,131	5,736,452	6,080,356	6,144,514
Public works	9,186,780	9,625,099	7,655,405	10,013,293
Culture and recreation	1,609,802	1,754,704	1,664,785	1,859,142
Interest on long-term debt	2,257,180	2,024,222	1,793,677	1,572,793
Total Governmental Activities Expenses	<u>22,245,468</u>	<u>23,219,584</u>	<u>20,955,680</u>	<u>23,279,052</u>
Business-type Activities				
Water and sewer	10,187,040	9,973,931	8,505,471	8,401,436
Storm water	1,676,891	1,775,795	1,581,519	1,684,442
Municipal liquor	4,326,242	4,205,135	4,046,382	3,661,334
Street light	332,040	325,596	331,931	335,488
Sports center	134,016	527,728	490,481	466,643
Total Business-type Activities Expenses	<u>16,656,229</u>	<u>16,808,185</u>	<u>14,955,784</u>	<u>14,549,343</u>
Total Primary Government Expenses	<u>\$ 38,901,697</u>	<u>\$ 40,027,769</u>	<u>\$ 35,911,464</u>	<u>\$ 37,828,395</u>
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ 401,917	\$ 407,780	\$ 425,638	\$ 451,924
Community development	1,072,671	935,318	1,152,731	1,072,049
Public safety	230,613	229,931	191,024	138,373
Public works	1,432,254	1,061,729	629,211	509,220
Culture and recreation	168,882	244,232	262,835	229,892
Operating grants and contributions	853,424	598,964	581,227	740,935
Capital grants and contributions	7,080,462	5,744,272	4,327,779	5,877,187
Total Governmental Activities Program Revenues	<u>11,240,223</u>	<u>9,222,226</u>	<u>7,570,445</u>	<u>9,019,580</u>
Business-type Activities				
Charges for services				
Water and sewer	7,457,902	7,525,396	8,584,064	7,078,007
Storm water	1,243,080	1,293,742	1,415,134	1,377,448
Municipal liquor	4,560,288	4,435,027	4,245,608	3,705,763
Street light	345,255	344,842	347,059	351,997
Sports center	111,522	504,008	520,598	492,875
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total Business-type Activities Program Revenues	<u>13,718,047</u>	<u>14,103,015</u>	<u>15,112,463</u>	<u>13,006,090</u>
Total Primary Government Program Revenues	<u>\$ 24,958,270</u>	<u>\$ 23,325,241</u>	<u>\$ 22,682,908</u>	<u>\$ 22,025,670</u>



Table 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 3,702,654	\$ 3,007,733	\$ 3,151,299	\$ 3,117,228	\$ 3,537,333	\$ 3,088,566
1,207,177	1,097,374	2,240,018	2,028,031	1,911,812	1,659,388
8,119,785	7,191,221	6,597,722	8,019,430	8,110,576	7,866,269
12,269,023	9,910,401	7,914,737	8,038,006	8,531,735	9,131,601
2,102,361	3,591,953	465,338	2,539,161	2,134,573	3,180,439
1,521,939	1,355,906	1,316,898	1,127,911	1,026,555	976,372
<u>28,922,939</u>	<u>26,154,588</u>	<u>21,686,012</u>	<u>24,869,767</u>	<u>25,252,584</u>	<u>25,902,635</u>
8,972,833	9,289,662	9,249,657	9,378,190	9,925,292	9,889,144
1,285,147	1,371,284	1,663,561	1,389,829	1,350,408	1,574,099
3,910,277	4,961,257	5,199,119	5,364,001	6,528,974	6,457,360
358,525	387,609	371,087	376,197	355,911	381,322
463,356	491,401	573,093	552,170	454,691	478,041
<u>14,990,138</u>	<u>16,501,213</u>	<u>17,056,517</u>	<u>17,060,387</u>	<u>18,615,276</u>	<u>18,779,966</u>
<u>\$ 43,913,077</u>	<u>\$ 42,655,801</u>	<u>\$ 38,742,529</u>	<u>\$ 41,930,154</u>	<u>\$ 43,867,860</u>	<u>\$ 44,682,601</u>
\$ 2,172,767	\$ 2,340,982	\$ 2,491,834	\$ 2,798,696	\$ 1,972,318	\$ 1,855,210
37,650	57,861	34,884	9,524	21,286	21,286
77,347	68,783	140,383	101,953	49,542	139,298
38,705	28,800	32,700	52,315	37,680	27,913
1,059,107	884,066	593,003	1,061,724	295,778	594,151
1,615,121	1,182,258	815,644	1,046,275	3,117,335	1,081,974
5,110,433	4,116,418	2,890,999	2,426,179	2,372,021	2,544,857
<u>10,111,130</u>	<u>8,679,168</u>	<u>6,999,447</u>	<u>7,496,666</u>	<u>7,865,960</u>	<u>6,264,689</u>
9,221,873	9,048,111	10,110,211	11,580,076	9,996,437	10,769,609
1,566,646	1,538,029	1,424,700	1,551,700	1,401,399	1,398,959
3,801,453	4,887,610	5,338,168	5,870,314	7,385,922	7,024,361
364,653	365,915	375,038	382,704	384,659	394,568
481,285	464,101	478,526	440,335	274,338	365,862
24,443	5,200	19,061	13,582	6,750	40,520
341,392	582,599	218,902	203,840	111,395	289,921
<u>15,801,745</u>	<u>16,891,565</u>	<u>17,964,606</u>	<u>20,042,551</u>	<u>19,560,900</u>	<u>20,283,800</u>
<u>\$ 25,912,875</u>	<u>\$ 25,570,733</u>	<u>\$ 24,964,053</u>	<u>\$ 27,539,217</u>	<u>\$ 27,426,860</u>	<u>\$ 26,548,489</u>

City of Savage, Minnesota  
Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

Table 2

	Fiscal Year			
	2012	2013	2014	2015
Net (Expense)/Revenue				
Governmental activities	\$(11,005,245)	\$(13,997,358)	\$(13,385,235)	\$(14,259,472)
Business-type activities	(2,938,182)	(2,705,170)	156,679	(1,543,253)
Total Primary Government Net Expense	<u>\$(13,943,427)</u>	<u>\$(16,702,528)</u>	<u>\$(13,228,556)</u>	<u>\$(15,802,725)</u>
General Revenues and other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 15,063,473	\$ 15,554,819	\$ 16,121,557	\$ 16,612,868
Tax increments	34,233	32,397	13,325	-
Franchise taxes	189,980	194,057	195,656	191,425
Other taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	4,004	-
Unrestricted investment earnings (loss)	895,463	(570,068)	1,249,535	480,193
Other general revenues	14,862	16,566	3,480	-
Gain on sale of capital assets	8,751	73,492	58,522	265,936
Transfers	(2,353,133)	(597,918)	758,571	(2,724,755)
Total Governmental Activities	<u>13,853,629</u>	<u>14,703,345</u>	<u>18,404,650</u>	<u>14,825,667</u>
Business-type Activities				
Property taxes, levied for debt service	-	-	-	-
Unrestricted investment earnings (loss)	348,402	(269,402)	494,736	153,310
Other general revenues	12,730	4,718	8,498	2,377
Gain on sale of capital assets	-	-	-	-
Transfers	2,353,133	597,918	(758,571)	2,724,755
Total Business-type Activities	<u>2,714,265</u>	<u>333,234</u>	<u>(255,337)</u>	<u>2,880,442</u>
Total Primary Government	<u>\$ 16,567,894</u>	<u>\$ 15,036,579</u>	<u>\$ 18,149,313</u>	<u>\$ 17,706,109</u>
Change in Net Position				
Governmental activities	\$ 2,848,384	\$ 705,987	\$ 5,019,415	\$ 566,195
Business-type activities	(223,917)	(2,371,936)	(98,658)	1,337,189
Total Primary Government	<u>\$ 2,624,467</u>	<u>\$ (1,665,949)</u>	<u>\$ 4,920,757</u>	<u>\$ 1,903,384</u>

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated.

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

Note: The City implemented GASB Statement No. 75 in fiscal 2018. Years prior to 2018 have not been restated.

Source: City of Savage, audited financial statements.

Table 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
<u>\$ (18,811,809)</u>	<u>\$ (17,475,420)</u>	<u>\$ (14,686,565)</u>	<u>\$ (17,373,101)</u>	<u>\$ (17,386,624)</u>	<u>\$ (19,637,946)</u>
<u>811,607</u>	<u>390,352</u>	<u>908,089</u>	<u>2,982,164</u>	<u>945,624</u>	<u>1,503,834</u>
<u><u>\$ (18,000,202)</u></u>	<u><u>\$ (17,085,068)</u></u>	<u><u>\$ (13,778,476)</u></u>	<u><u>\$ (14,390,937)</u></u>	<u><u>\$ (16,441,000)</u></u>	<u><u>\$ (18,134,112)</u></u>
\$ 16,584,312	\$ 16,946,478	\$ 17,383,219	\$ 17,899,998	\$ 18,643,908	\$ 19,663,572
100,392	160,961	180,462	396,602	556,654	658,351
202,011	203,154	196,673	191,698	186,966	171,492
47,702	44,416	47,848	49,243	51,312	51,523
22,595	262,976	26,246	23,176	25,537	208,620
399,871	390,900	406,919	873,039	625,413	(64,754)
33,994	3,406	1,098	17,101	7,741	246
130,444	433,110	87,979	45,809	120,231	366,719
104,388	(4,357,707)	(1,356,235)	(94,486)	1,199,621	492,819
<u>17,625,709</u>	<u>14,087,694</u>	<u>16,974,209</u>	<u>19,402,180</u>	<u>21,417,383</u>	<u>21,548,588</u>
-	-	-	-	-	52,500
204,218	206,598	185,921	403,313	280,293	(34,578)
-	-	-	-	-	-
11,031	-	-	-	89,710	39,001
<u>(104,388)</u>	<u>4,357,707</u>	<u>1,356,235</u>	<u>94,486</u>	<u>(1,199,621)</u>	<u>(492,819)</u>
<u>110,861</u>	<u>4,564,305</u>	<u>1,542,156</u>	<u>497,799</u>	<u>(829,618)</u>	<u>(435,896)</u>
<u><u>\$ 17,736,570</u></u>	<u><u>\$ 18,651,999</u></u>	<u><u>\$ 18,516,365</u></u>	<u><u>\$ 19,899,979</u></u>	<u><u>\$ 20,587,765</u></u>	<u><u>\$ 21,112,692</u></u>
\$ (1,186,100)	\$ (3,387,726)	\$ 2,287,644	\$ 2,029,079	\$ 4,030,759	\$ 1,910,642
922,468	4,954,657	2,450,245	3,479,963	116,006	1,067,938
<u>\$ (263,632)</u>	<u>\$ 1,566,931</u>	<u>\$ 4,737,889</u>	<u>\$ 5,509,042</u>	<u>\$ 4,146,765</u>	<u>\$ 2,978,580</u>

City of Savage, Minnesota  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

**Table 3**

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 26,951	\$ 35,633	\$ 27,616	\$ 58,389
Assigned	57,070	14,393	14,129	16,596
Unassigned	<u>6,259,170</u>	<u>6,416,262</u>	<u>6,685,706</u>	<u>6,783,256</u>
Total General Fund	<u>\$ 6,343,191</u>	<u>\$ 6,466,288</u>	<u>\$ 6,727,451</u>	<u>\$ 6,858,241</u>
All other Governmental Funds				
Unreserved, reported in				
Nonspendable	\$ 1,432,675	\$ 840,625	\$ 790,573	\$ 739,572
Restricted	19,581,241	23,507,078	24,394,291	26,854,132
Committed	1,276,006	1,276,323	1,324,188	2,060,967
Assigned - capital projects	10,355,038	8,085,760	4,620,966	4,423,322
Unassigned	<u>(5,754,031)</u>	<u>(6,935,079)</u>	<u>(1,801,173)</u>	<u>(742,569)</u>
Total All Other Governmental Funds	<u>\$ 26,890,929</u>	<u>\$ 26,774,707</u>	<u>\$ 29,328,845</u>	<u>\$ 33,335,424</u>

Source: City of Savage, audited financial statements.

Table 3

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 68,435	\$ 34,956	\$ 105,053	\$ 55,381	\$ 44,199	\$ 71,527
18,659	226,626	50,378	254,143	872,986	254,832
<u>6,934,350</u>	<u>7,191,162</u>	<u>7,645,475</u>	<u>8,072,292</u>	<u>8,874,137</u>	<u>9,110,224</u>
<u>\$ 7,021,444</u>	<u>\$ 7,452,744</u>	<u>\$ 7,800,906</u>	<u>\$ 8,381,816</u>	<u>\$ 9,791,322</u>	<u>\$ 9,436,583</u>
\$ 688,869	\$ 14,269	\$ 7,277	\$ 7,482	\$ -	\$ 1,854
19,661,660	12,766,724	13,048,666	12,128,571	16,800,682	12,655,633
2,293,894	2,350,920	2,241,728	2,067,518	2,009,906	2,463,735
5,447,669	6,808,382	7,317,105	8,376,308	7,918,655	7,308,067
<u>(934,728)</u>	<u>(273,767)</u>	<u>(3,810,212)</u>	<u>(3,788,249)</u>	<u>(2,804,154)</u>	<u>(1,182,154)</u>
<u>\$ 27,157,364</u>	<u>\$ 21,666,528</u>	<u>\$ 18,804,564</u>	<u>\$ 18,791,630</u>	<u>\$ 23,925,089</u>	<u>\$ 21,247,135</u>

City of Savage, Minnesota  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

**Table 4**

	Fiscal Year			
	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 15,040,188	\$ 15,706,099	\$ 16,239,954	\$ 16,700,828
Special assessments	3,116,273	4,856,987	4,131,438	2,680,986
Licenses and permits	1,963,399	1,377,386	1,144,093	979,319
Intergovernmental	5,059,511	681,259	2,803,618	5,040,627
Charges for services	1,045,284	1,088,336	1,519,574	1,318,017
Fines and forfeits	205,691	201,687	157,931	110,039
Interest on investments (loss)	872,295	(548,819)	1,189,774	456,713
Miscellaneous	825,963	762,758	945,303	702,786
Total Revenues	<u>28,128,604</u>	<u>24,125,693</u>	<u>28,131,685</u>	<u>27,989,315</u>
<b>Expenditures</b>				
General government	2,353,023	2,373,190	2,468,850	2,540,980
Community development	622,229	720,049	753,240	795,823
Public safety	5,480,860	5,423,978	5,757,690	5,873,216
Public works	2,071,901	2,179,378	2,298,275	2,211,713
Culture and recreation	1,242,838	1,404,258	1,419,873	1,528,118
Capital outlay	19,249,033	11,702,470	10,829,083	7,316,930
Debt service				
Principal	7,825,000	7,750,000	6,625,000	7,190,000
Interest and other	2,173,145	2,186,986	1,946,410	1,735,867
Other charges	-	-	1,114,435	-
Total Expenditures	<u>41,018,029</u>	<u>33,740,309</u>	<u>33,212,856</u>	<u>29,192,647</u>
Deficiency of Revenues Under Expenditures	<u>(12,889,425)</u>	<u>(9,614,616)</u>	<u>(5,081,171)</u>	<u>(1,203,332)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	37,891	73,492	62,633	287,965
Transfers in	1,245,987	5,064,796	6,868,636	4,527,780
Debt issued	5,085,000	6,241,200	9,890,000	6,830,000
Premium/discount on debt issued	132,741	216,594	212,244	265,345
Principal paid on refunded bonds	-	-	(6,600,000)	-
Transfers out	<u>(1,131,000)</u>	<u>(1,974,591)</u>	<u>(3,956,582)</u>	<u>(6,570,389)</u>
Total Other Financing Sources (Uses)	<u>5,370,619</u>	<u>9,621,491</u>	<u>6,476,931</u>	<u>5,340,701</u>
<b>Net Change in Fund Balances</b>	<u>\$ (7,518,806)</u>	<u>\$ 6,875</u>	<u>\$ 1,395,760</u>	<u>\$ 4,137,369</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<u>45.4%</u>	<u>43.7%</u>	<u>42.6%</u>	<u>37.8%</u>

Source: City of Savage, audited financial statements.

Table 4

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 16,966,415	\$ 17,354,608	\$ 17,822,759	\$ 18,538,789	\$ 19,447,810	\$ 20,529,247
1,061,770	1,103,285	1,194,088	1,421,268	912,015	775,945
5,659,137	3,959,527	2,079,088	2,330,153	4,569,363	2,404,960
1,895,927	1,158,646	1,135,001	1,185,732	828,127	956,362
43,699	45,258	118,515	81,334	39,684	123,445
2,238,634	1,414,733	1,273,975	1,242,291	1,095,951	1,108,876
381,172	370,860	387,862	813,596	599,729	(62,480)
492,927	1,528,002	1,077,592	1,475,390	792,889	1,057,318
<u>28,739,681</u>	<u>26,934,919</u>	<u>25,088,880</u>	<u>27,088,553</u>	<u>28,285,568</u>	<u>26,893,673</u>
2,691,979	2,721,328	2,856,200	2,795,315	3,260,369	3,106,005
800,377	878,233	1,039,347	1,518,798	1,454,335	1,120,795
6,243,134	6,532,555	6,830,635	7,254,982	8,018,520	8,469,419
2,366,155	2,319,866	2,576,056	2,681,120	2,668,115	2,776,376
1,764,144	1,850,781	1,870,107	1,928,338	1,936,535	2,214,308
12,481,059	9,804,826	8,867,349	8,583,762	7,812,949	6,317,239
11,280,000	6,700,000	7,328,200	5,533,200	4,716,600	9,418,200
1,616,804	1,381,337	1,396,076	1,231,466	1,256,333	1,229,775
94,318	113,394	-	-	48,057	-
<u>39,337,970</u>	<u>32,302,320</u>	<u>32,763,970</u>	<u>31,526,981</u>	<u>31,171,813</u>	<u>34,652,117</u>
<u>(10,598,289)</u>	<u>(5,367,401)</u>	<u>(7,675,090)</u>	<u>(4,438,428)</u>	<u>(2,886,245)</u>	<u>(7,758,444)</u>
131,064	438,318	90,019	45,809	120,231	366,719
5,824,715	7,504,778	4,192,992	5,083,565	7,882,633	6,424,210
3,335,000	6,000,000	4,420,000	4,300,000	8,050,000	2,800,000
147,335	233,034	138,269	465,410	759,224	335,761
-	(3,365,000)	-	(1,825,000)	(1,930,000)	-
<u>(4,854,682)</u>	<u>(10,503,265)</u>	<u>(3,679,992)</u>	<u>(3,063,380)</u>	<u>(5,452,878)</u>	<u>(5,200,939)</u>
<u>4,583,432</u>	<u>307,865</u>	<u>5,161,288</u>	<u>5,006,404</u>	<u>9,429,210</u>	<u>4,725,751</u>
<u>\$ (6,014,857)</u>	<u>\$ (5,059,536)</u>	<u>\$ (2,513,802)</u>	<u>\$ 567,976</u>	<u>\$ 6,542,965</u>	<u>\$ (3,032,693)</u>
<u>42.5%</u>	<u>31.4%</u>	<u>38.1%</u>	<u>28.9%</u>	<u>25.2%</u>	<u>36.6%</u>

City of Savage, Minnesota  
 Governmental Activities Tax Revenues by Source  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

**Table 5**

Fiscal Year	Property Tax	Tax Increment	Franchise/Other Tax	Total
2012	\$ 15,063,473	\$ 34,233	\$ 189,980	\$ 15,287,686
2013	15,554,819	32,397	194,057	15,781,273
2014	16,121,557	13,325	195,656	16,330,538
2015	16,612,868	-	191,425	16,804,293
2016	16,584,312	100,392	249,713	16,934,417
2017	16,946,478	160,961	247,570	17,355,009
2018	17,383,219	180,462	244,521	17,808,202
2019	17,899,998	396,602	240,941	18,537,541
2020	18,643,908	556,654	238,278	19,438,840
2021	19,663,572	658,351	223,015	20,544,938

Source: City of Savage, audited financial statements.



City of Savage, Minnesota  
 Governmental Funds Tax Revenues by Source  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

**Table 6**

Fiscal Year	Property Tax	Tax Increment	Franchise/Other Tax	Total
2012	\$ 15,005,955	\$ 34,233	\$ 189,980	\$ 15,230,168
2013	15,657,638	32,397	194,057	15,884,092
2014	16,226,469	13,325	195,656	16,435,450
2015	16,700,828	-	191,425	16,892,253
2016	16,616,310	100,392	249,713	16,966,415
2017	16,946,077	160,961	247,570	17,354,608
2018	17,397,776	180,462	244,521	17,822,759
2019	17,901,246	396,602	240,941	18,538,789
2020	18,652,878	556,654	238,278	19,447,810
2021	19,647,881	658,351	223,015	20,529,247

Source: City of Savage, audited financial statements.

City of Savage, Minnesota  
 Net Tax Capacity and Estimated Market Value of Property  
 Last Ten Fiscal Years

**Table 7**

Fiscal Year Ended December 31,	Real and Personal Property <sup>(1)</sup>						Ratio of Total Tax Capacity to Taxable Market Value
	Total Tax Capacity	Tax Increment Tax Capacity	Net Fiscal Disparity	Net Tax Capacity	Total Direct Tax Rate	Taxable Market Value	
2012	\$ 28,690,321	\$ (26,264)	\$ 220,938	\$ 28,884,995	51.12	\$ 2,477,077,500	1.16 %
2013	27,003,916	(25,738)	414,077	27,392,255	55.51	2,311,627,400	1.17
2014	28,256,725	(25,738)	177,866	28,408,853	55.28	2,434,515,600	1.16
2015	30,700,138	-	313,279	31,013,417	51.74	2,658,879,100	1.15
2016	32,186,980	(81,937)	248,077	32,353,120	49.91	2,799,503,700	1.15
2017	34,350,260	(138,187)	650,645	34,862,718	47.84	2,957,985,300	1.16
2018	36,068,844	(159,437)	436,671	36,346,078	47.12	3,115,183,500	1.16
2019	39,173,698	(358,727)	741,358	39,556,329	44.47	3,396,640,700	1.15
2020	42,694,112	(515,519)	905,265	43,083,858	42.36	3,707,956,100	1.15
2021	46,038,590	(627,779)	873,804	46,284,615	42.25	3,972,246,200	1.16

<sup>(1)</sup> Personal property values are minimal and are included in the total value.

Source: Scott County

City of Savage, Minnesota  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

**Table 8**

Fiscal Year	City of Savage			Overlapping Rates <sup>(1)</sup>		Special Districts <sup>(2)</sup>	Total Direct and Overlapping Rates
	General Operating Rate	Debt Service Rate	Total Tax Capacity Rate	School District #191 Total Tax Capacity Rate	Scott County Total Tax Capacity Rate		
2012	33.763	17.360	51.123	21.878	38.802	6.958	118.761 %
2013	37.008	18.500	55.508	26.168	40.674	7.143	129.493
2014	36.379	18.899	55.278	25.661	39.720	6.934	127.593
2015	35.325	16.418	51.743	24.554	36.638	6.976	119.911
2016	35.633	14.272	49.905	31.065	36.175	7.676	124.821
2017	33.816	14.025	47.841	27.529	35.896	7.746	119.012
2018	33.474	13.643	47.117	25.759	35.114	8.687	116.677
2019	33.669	10.805	44.474	26.202	33.841	8.271	112.788
2020	32.274	10.083	42.357	23.765	32.718	7.744	106.584
2021	32.405	9.849	42.254	23.699	31.025	7.840	104.818

<sup>(1)</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Savage. Not all overlapping rates apply to all City of Savage property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

<sup>(2)</sup> Special Districts include the following: Metropolitan Council, Metropolitan Transit District, Metropolitan Mosquito Control, Scott County Community Development Agency, and Prior Lake - Spring Lake Watershed District.

Source: Scott County

City of Savage, Minnesota  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Table 9

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Continental 298 Fund, LLC	\$ 54,000,000	1	1.36 %			
Cargill, Inc.	31,412,200	2	0.79	\$ 23,733,600	1	0.96 %
CHC Highview, LLC	25,920,500	3	0.65	14,350,000	8	0.58
Karl Bohn	23,297,000	4	0.59	17,673,700	2	0.71
Centerpoint Energy Resource	17,507,700	5	0.44			
NP Eagle Creek Industrial, LLC	16,950,000	6	0.43			
BF Nelson Corporation	15,000,000	7	0.38			
BRE Retail Residual Owner 4, LLC	14,000,000	8	0.35	13,652,300	4	0.55
Target Corporation & Property Tax Department	13,000,000	9	0.33	15,000,000	3	0.61
Stag Savage, LLC	13,000,000	10	0.33			
Larry M. Ross, LLC				11,000,000	5	0.44
MN Savage 16, LLC & Wangard Advisors, LLC				10,500,000	6	0.42
Whitebox Riverport Savage, LLC				9,000,000	7	0.36
Centro Bradley Spc 7, LLC				8,200,000	9	0.33
Southcross, LLC				8,150,000	10	0.33
<b>Total</b>	<b>\$ 224,087,400</b>		<b>5.65 %</b>	<b>\$ 131,259,600</b>		<b>5.29 %</b>

Source: Scott County

City of Savage, Minnesota  
Property Tax Levies and Tax Collections  
Last Ten Fiscal Years

**Table 10**

Fiscal Year Ended December 31,	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Percent of Levy
		Amount	Percent of Levy			
2012	\$ 15,082,185 <sup>(1)</sup>	\$ 14,815,544	98.2 %	\$ 266,641	\$ 15,082,185	100.0 %
2013	15,468,230	15,280,212	98.8	188,018	15,468,230	100.0
2014	16,121,503	15,987,944	99.2	133,559	16,121,503	100.0
2015	16,570,700	16,490,100	99.5	80,512	16,570,612	100.0
2016	16,616,613	16,560,804	99.7	55,489	16,616,293	100.0
2017	17,169,079	16,944,862	98.7	223,918	17,168,780	100.0
2018	17,499,645	17,447,577	99.7	45,446	17,493,023	100.0
2019	18,046,699	17,989,905	99.7	51,652	18,041,557	100.0
2020	18,687,907	18,634,254	99.7	43,232	18,677,486	99.9
2021	19,792,416	19,732,693	99.7	-	19,732,693	99.7

<sup>(1)</sup> Levied TIF tax revenues are included in these amounts.

Source: Scott County

City of Savage, Minnesota  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Table 11

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Public Facility Revenue Bonds	Tax Increment Bonds	Capital Leases	Utility Revenue Bonds	Liquor Revenue Bonds	Tax Abatement Bonds			
2012	\$ 16,875,000	\$ 40,765,000	\$ 1,325,000	\$ -	\$ 2,090,000	\$ 19,131,395	\$ 1,060,000	\$ 4,915,000	\$ 86,161,395	6.63 %	\$ 3,133
2013	15,330,000	40,691,200	1,125,000	-	2,010,000	17,872,195	930,000	4,915,000	82,873,395	6.35	3,008
2014	13,411,267	40,215,375	920,000	-	1,930,000	15,765,718	784,516	4,731,203	77,758,079	5.49	2,677
2015	15,062,802	38,676,912	705,000	-	1,840,000	15,258,253	642,137	4,427,703	76,612,807	4.85	2,552
2016	13,812,723	32,327,709	475,000	-	1,740,000	12,638,286	494,758	4,119,204	65,607,680	3.95	2,300
2017	12,151,247	30,618,103	240,000	-	1,385,000	14,328,521	337,378	3,810,704	62,870,953	3.61	2,047
2018	10,582,749	29,477,034	-	-	1,385,000	11,955,881	175,000	3,497,205	57,072,869	3.04	1,817
2019	8,989,631	28,420,590	-	-	1,275,000	9,108,566	-	3,178,705	50,972,492	2.54	1,581
2020	7,455,365	31,891,835	-	-	1,155,000	7,824,285	-	2,855,205	51,181,690	2.54	1,577
2021	5,840,512	27,067,165	-	-	1,040,000	6,518,661	-	2,526,707	42,993,045	2.14	1,322

N/A = Not Available

As of year 2014 outstanding debt amounts include unamortized bond premium/discount

Sources: City of Savage, audited financial statements.

Metropolitan Council, population estimates, with exception of 2020 US Census figure.

Bureau of Economic Analysis, local area personal income reports.

City of Savage, Minnesota  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

**Table 12**

Fiscal Year	Gross Bonded Debt <sup>(1)</sup>	Less Amounts Available in Debt Service Funds <sup>(2)</sup>	Total Net Bonded Debt	Percentage of Total Estimated Taxable Market Value of Property	Per Capita
2012	\$ 50,125,826	\$ 18,688,499	\$ 31,437,327	1.27 %	\$ 1,141
2013	49,742,393	19,190,858	30,551,535	1.32	1,105
2014	46,614,592	19,814,426	26,800,166	1.10	923
2015	47,461,417	21,709,772	25,751,645	0.97	858
2016	40,570,197	16,686,205	23,883,992	0.85	789
2017	37,702,408	10,320,947	27,381,461	0.93	892
2018	34,673,740	9,842,056	24,831,684	0.80	791
2019	31,970,379	9,828,287	22,142,092	0.65	687
2020	33,883,022	14,541,011	19,342,011	0.52	596
2021	27,357,101	10,825,414	16,531,687	0.42	508

<sup>(1)</sup> Gross Bonded Debt includes bonds with special assessment revenue portions and therefore has been reduced by the deferred special assessment receivables in the debt service funds in order to reflect only the tax-supported debt burden.

<sup>(2)</sup> Amounts available in Debt Service Funds include cash in escrow amounts for crossover bonds still maintained in Gross Bonded Debt figures.

Sources: City of Savage, audited financial statements.  
Metropolitan Council, population estimates, with exception of 2020 US Census figure.  
Scott County, estimated taxable market value of property.

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City of Savage, Minnesota  
 Computation of Direct and Overlapping Debt  
 December 31, 2021

**Table 13**

	Gross Debt <sup>(1)</sup>	City Share	
		Percentage <sup>(2)</sup>	Amount
Direct Debt			
City of Savage	<u>\$ 33,947,677</u>	100.00 %	<u>\$ 33,947,677</u>
Overlapping Debt			
School District No. 191	132,640,000	17.74	23,530,336
School District No. 271	149,335,000	0.10	149,335
School District No. 719	186,974,049	17.46	32,645,669
School District No. 720	243,973,822	0.74	1,805,406
Scott County	115,680,000	20.25	23,425,200
Scott County CDA	47,355,000	3.49	1,652,690
Metropolitan Council	<u>1,897,693,968</u>	0.52	<u>9,868,009</u>
Total Overlapping Debt	<u>2,773,651,839</u>		<u>93,076,645</u>
Total Direct and Overlapping Debt	<u><u>\$ 2,807,599,516</u></u>		<u><u>\$ 127,024,322</u></u>

(1) Gross debt totals include capital leases and bonds which are financed by ad valorem tax levy, G.O. revenue financing, G.O. tax increment financing and special assessments.

(2) The percentage of overlapping debt applicable is estimated using total net tax capacity of property values. Applicable percentages were estimated by determining the portion of the county's taxable total net tax capacity that is within the government's boundaries and dividing it by the County's total net tax capacity property value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the resident and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Source: Scott County

City of Savage, Minnesota  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Table 14

	Fiscal Year			
	2012	2013	2014	2015
Debt Limit	\$ 74,312,325	\$ 69,348,822	\$ 73,035,468	\$ 79,766,373
Total Net Debt Applicable to Limit	<u>13,492,971</u>	<u>12,046,299</u>	<u>10,872,956</u>	<u>9,643,165</u>
Legal Debt Margin	<u>\$ 60,819,354</u>	<u>\$ 57,302,523</u>	<u>\$ 62,162,512</u>	<u>\$ 70,123,208</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.16%	17.37%	14.89%	12.09%

Legal debt margin

Note A: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Note B: M.S.A. Section 475.51 (definitions) Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrant or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a Permanent Improvement Revolving fund.
5. Obligations issued for the acquisition and betterment of public water works system and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Not applicable.
7. Amount of all money and face value of all securities held as a Debt Service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Obligation to repay loans made under section 216C37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of Federal petroleum pricing regulations.
10. Obligations issued to pay pension fund liabilities under section 457.52, subdivision 6, or any charter authority.
11. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Sources: City of Savage, audited financial statements.

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 83,985,111	\$ 88,739,559	\$ 93,455,505	\$ 101,899,221	\$ 111,238,683	\$ 119,167,386
<u>10,719,093</u>	<u>9,107,412</u>	<u>7,657,005</u>	<u>6,184,766</u>	<u>4,607,482</u>	<u>3,390,179</u>
<u>\$ 73,266,018</u>	<u>\$ 79,632,147</u>	<u>\$ 85,798,500</u>	<u>\$ 95,714,455</u>	<u>\$ 106,631,201</u>	<u>\$ 115,777,207</u>
12.76%	10.26%	8.19%	6.07%	4.14%	2.84%

Legal Debt Margin Calculation for Fiscal Year 2021

Taxable Market Value	<u>\$ 3,972,246,200</u>
Debt Limit (Note A)	<u>\$ 119,167,386</u>
Debt Applicable to Limit	
General obligation bonds	5,630,000
Less amount available in	
Debt Service funds (Note B)	<u>2,239,821</u>
Total Net Debt Applicable to Limit	<u>3,390,179</u>
Legal Debt Margin	<u>\$ 115,777,207</u>

City of Savage, Minnesota  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Table 15

Enterprise Funds Revenue Bonds

Fiscal Year	Gross Revenues	Operating Expenses <sup>(3)</sup>	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2012	\$ 10,363,957	\$ 5,585,812	\$ 4,778,145	\$ 2,305,000	\$ 740,777	\$ 3,045,777	1.57 %
2013	10,270,125	5,621,295	4,648,830	2,433,000	801,269	3,234,269	1.44
2014	12,168,346	<sup>(1)</sup> 6,621,857	5,546,489	2,822,000	704,057	3,526,057	1.57
2015	10,028,884	6,541,998	3,486,886	4,066,000	613,142	4,679,142	0.75
2016	12,404,473	6,881,644	5,522,829	2,991,000	597,261	3,588,261	1.54
2017	12,405,534	7,475,364	4,930,170	2,701,000	527,079	3,228,079	1.53
2018	13,437,708	7,761,011	5,676,697	2,844,800	535,071	3,379,871	1.68
2019	15,501,919	7,492,927	8,008,992	3,277,194	422,447	3,699,641	2.16
2020	11,948,150	6,744,797	5,203,353	1,548,400	311,534	1,859,934	2.80
2021	12,503,995	6,959,234	5,544,761	1,586,987	260,682	1,847,669	3.00

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements. Gross revenues include investment earnings. Operating expenses do not include interest or depreciation.

<sup>(1)</sup> Revised figures represent calculation match final figures within 2014 annual report

<sup>(2)</sup> Revised figures represent calculation corrections for one expense item previously duplicated.

Source: City of Savage audited financial statements.

**City of Savage, Minnesota**  
Demographic and Economic Statistics  
Last Ten Fiscal Years

**Table 16**

Fiscal Year	City of Savage Population (1)	City of Savage Personal Income (in thousands) (2)	Scott County Personal Income Per Capita (3)	City of Savage School Enrollment (4)	City of Savage Unemployment Rate (5)
2012	27,552	\$ 1,301,281	\$ 47,230	6,743	4.7 %
2013	27,655	1,304,597	47,174	6,628	4.1
2014	29,047	1,416,942	48,781	6,602	3.4
2015	30,024	1,581,064	52,660	6,728	2.9
2016	30,285	1,614,948	53,325	6,766	2.9
2017	30,713	1,743,055	56,753	6,771	2.8
2018	31,407	1,874,590	59,687	7,224	2.4
2019	32,245	2,004,478	62,164	7,352	2.5
2020	32,465	2,012,992	62,005	7,240	3.8
2021	32,516	N/A	N/A	6,709	3.1

Source:

- (1) Metropolitan Council, population estimates, with exception of 2020 US Census figure.
- (2) Based on Scott County's Per Capita Personal Income Data.
- (3) U.S. Bureau of Economic Analysis, Scott County Average.
- (4) Based on Metropolitan Council / American Community Survey 5 year summary statistics for Savage School Age Population.
- (5) State of Minnesota Department of Employment and Economic Development.  
December rate used for 2020 only versus 12 month average used in all other years.

City of Savage, Minnesota  
Principal Employers  
Current Year and Nine Years Ago

Table 17

Employer	Product/Service	2021			2012		
		Approximate Number of Employees	Rank	Percentage of Total City Employment	Approximate Number of Employees	Rank	Percentage of Total City Employment
HyVee	Grocery Store	500	1	5.92 %			
Prior Lake-Savage School District 719 (a)	Education	340	2	4.03	950	2	13.55 %
Fabcon	Cement & Concrete Products	270	3	3.20	296	3	4.22
Burnsville-Eagan-Savage School District 191 (a)	Education	260	4	3.08	1,271	1	18.12
SuperTarget	Discount Retail	200	5	2.37	290	4	4.14
City of Savage (b)	Government	169	6	2.00	150	7	2.14
Siligan Container Corp	Shipping Containers	145	7	1.72	150	6	2.14
Lifetime Fitness	Health Club	131	8	1.55			
Associated Partnership Ltd	Van Conversion	120	9	1.42			
BF Nelson	Printing	100	10	1.18			
Waste Management	Waste Management Services				125	8	1.78
Continental Hydraulics & Machines	Manufacturing				180	5	2.57
Cub Foods	Grocery Store				110	9	1.57
Road Machinery & Supply	Heavy Equipment Sales				100	10	1.43
Total City Employment		(c) <u>8,441</u>		<u>26.47 %</u>	<u>3,622</u>		<u>51.66 %</u>

(a) Figures now reflect only those employed at district schools located within the City of Savage

(b) Includes full, part-time & on-call employees but does not include temporary or seasonal workers

(c) Based on average of available quarterly information

Source: Council Approved Authorized Position Report  
Scott County CDA, First Stop Shop, Demographics Now  
State of Minnesota Department of Employment and Economic Development.

City of Savage, Minnesota  
Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

**Table 18**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Administration	8.5	10.5	10.5	10.5	10.0	10.0	10.5	12.0	12.0	12.0
Finance	4.7	5.0	4.6	5.7	5.7	5.7	5.5	5.8	6.0	6.0
Community Development	6.8	7.5	8.5	8.5	8.5	8.5	9.6	8.6	8.6	9.2
Building Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
<b>Public Safety</b>										
Police										
Police chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Officers	32.0	31.0	31.0	31.0	32.0	33.0	33.0	33.0	34.0	33.0
Civilians	9.2	8.9	9.5	9.5	9.8	11.2	11.1	12.2	12.2	12.2
Fire										
Fire Chief	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Full Time Fire <sup>(a)</sup>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	7.0
Paid on Call	41.0	41.0	36.0	35.0	38.0	37.0	38.0	38.0	38.0	35.0
<b>Public Works:</b>										
Administration	4.5	4.8	5.0	5.0	4.0	4.0	6.6	6.6	6.6	6.6
Engineering	4.0	4.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0
Parks and Recreation	10.5	10.5	11.0	12.0	12.0	13.0	12.0	12.0	12.0	11.0
Streets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0
Utilities	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0
<b>Propriety</b>										
Water <sup>(b)</sup>										
Sewer <sup>(b)</sup>										
Liquor	3.0	3.5	4.5	4.0	4.0	4.0	4.0	4.0	5.8	4.7
<b>Total</b>	<b>151.2</b>	<b>153.7</b>	<b>152.6</b>	<b>153.2</b>	<b>156.0</b>	<b>158.4</b>	<b>162.3</b>	<b>165.2</b>	<b>169.2</b>	<b>169.7</b>

Includes employees working a minimum of 20 hours per week. Does not include temporary and seasonal workers.

<sup>(a)</sup> Prior to 2021 - Fire Chief and Assistant Fire Chief were only Full Time Fire positions.

<sup>(b)</sup> Employees are represented within the Public Works sections.

Source: Council Approved Authorized Position Report

City of Savage, Minnesota  
Operating Indicators by Function  
Last Ten Fiscal Years

Table 19

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Police:										
Number of law contacts	14,925	14,512	14,724	14,455	13,629	14,013 <sup>(a)</sup>	14,292	14,424	13,899 <sup>(b)</sup>	12,800
Number of sworn officers	33	32	32	32	33	34	34	35	34	34
Fire										
Number of calls answered	378	412	385	349	351	377	421	520	702	942
Number of Part time Firefighters <sup>(c)</sup>	41	41	36	35	38	37	38	38	35	35
Building inspection:										
Number of residential permits	1,360	1,123	1,593	1,251	957	1,187	1,309	1,378	1,566	1,194
Number of commercial permits	197	153	136	170	165	111	133	161	144	124
Total permit valuation	\$ 81,761,264	\$ 56,903,187	\$ 79,728,667	\$ 47,204,497	\$ 91,766,515	\$ 89,826,021	\$ 98,012,973	\$ 133,297,705	\$ 57,794,548	\$ 53,569,672
<b>Public Works:</b>										
Water system:										
Number of service connections	8,949	9,082	9,293	9,377	9,447	9,638	9,709	10,066	10,151	10,262
Sewage system:										
Number of service connections	8,973	9,078	9,276	9,360	9,457	9,615	9,686	10,178	10,224	10,325

Note: Indicators are not available for the general government function.

<sup>(a)</sup> Reflects Revised Police Department Data for 2017

<sup>(b)</sup> Commencing June 2020, crime reporting changes mandated nationwide to NIBRS (National Incident-Based Reporting System )

<sup>(c)</sup> Transitioned from Paid on Call to Part time Firefighters July 2021.

Sources: Savage Police Department Activity Log  
Savage Building Department Yearly Permit Log  
Savage Public Works Department Statistics  
Savage Fire Department Activity Log



City of Savage, Minnesota  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

**Table 20**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	25	26	26	27	28	28	28	28	28
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Response units	18	18	18	18	18	18	18	18	18	17
Inspection Units	1	1	1	1	1	1	1	1	1	-
<b>Public Works</b>										
Street division										
Municipal streets and roads <sup>(b)</sup>	128	119	120	122	126	128	129	131	131	132
Number of street lights	1,639	1,880	1,907	1,907	2,085	2,079	2,188	2,223	2,283	2,310
Water system										
Miles of water mains	149	151	155	155	160	161	164	164	166	168
Number of fire hydrants	1,625	1,658	1,682	1,701	1,765	1,799	1,805	1,826	1,851	1,877
Sewer system										
Miles of sanitary sewers	125	126	127	128	131	131	136	137	138	138
<b>Parks and Recreation</b>										
Number of parks	23	23	23	23	23	23	23	23	23	23
Park acreage	457	457	457	457	457	457	457	457	457	457
Tennis courts	10	10	10	10	10	6	6	6	6	6
Basketball courts	9	9	9	9	9	9	10	10	10	10
Softball fields	30	30	30	30	30	30	30	30	30	30
Ice rinks	6	6	6	7	7	6	6	6	6	6

<sup>(a)</sup> Inspection duties currently performed by Fire Chief and Assistant Fire Chief.

<sup>(b)</sup> 2013 & forward figure is the City's improved basic mileage as reported to MnDOT and does not include state or county roads.

Sources: Savage Police Statistics  
Savage Fire Statistics  
Savage Public Works Department Statistics  
Savage Parks and Recreation Department Statistics