

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
CITY OF HAM LAKE,  
MINNESOTA**

**For the Year Ended**

**December 31, 2022**

Prepared by

THE DEPARTMENT OF FINANCE  
AND ADMINISTRATION

MEMBER OF GOVERNMENT FINANCE OFFICERS ASSOCIATION  
OF THE UNITED STATES AND CANADA

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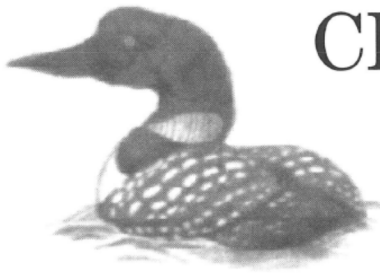
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## **INTRODUCTORY SECTION**

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# CITY OF HAM LAKE

15544 Central Avenue NE  
Ham Lake, Minnesota 55304  
(763) 434-9555  
Fax: (763) 434-9599

June 7, 2023

To the Honorable Mayor, City Council Members, and Citizens of the City of Ham Lake:

Minnesota statutes require that each city issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP). Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report for the City of Ham Lake for the fiscal year ended December 31, 2022.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon 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 financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the City'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 Ham Lake's financial statements have been audited by Bergan KDV, 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 Ham Lake for the fiscal year ended December 31, 2022, 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 reasonable basis for issuing an unmodified opinion that the City of Ham Lake's financial statements for the year ended December 31, 2022, 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.

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



## **Profile of the Government**

The City of Ham Lake was incorporated in 1973 and operates as a home-rule charter city. The City Charter was adopted in 1982. The form of government established by the City Charter is the Mayor-Council Plan. All powers of the City are vested in the Council, except as otherwise provided by law or the charter. The Council is composed of a Mayor and four Council Members who are elected at large and have a term of four years.

The City provides basic governmental services to its residents and businesses, including public safety, construction and maintenance of local streets, neighborhood parks and trails, and general administrative services. Police protection is provided through a contract with the Anoka County Sheriff. Fire protection is provided by a paid-on-call fire department, with a full-time Fire Chief, operating out of two fire stations. The City does not provide municipal water and sewer services.

The annual budget serves as the foundation for the City of Ham Lake's financial planning and control. The Administrator and Finance Director work with department heads to develop a proposed budget, which they present to the City Council. The City Council holds budget meetings and adopts a proposed budget in September. Budget discussions continue, a public hearing is held in early December, the final property tax levy is certified, and the Council adopts a final budget no later than December 31, the close of the City's fiscal year. Any variations from the adopted budget require approval of the Council.

## **Local Economy**

The City of Ham Lake is located in Anoka County, approximately 20 miles north of Minneapolis and St. Paul. The City of Ham Lake occupies approximately 36 square miles. Ham Lake has an estimated population of 16,489 with 5,748 households.

The major transportation route is Trunk Highway 65, a four-lane highway which runs north and south through the City. Three major county roads serve as minor arterials, bringing traffic from the east and the west to Highway 65. The majority of the City's commercial development lies along the Highway 65 corridor. The City is a member of the North Trunk Highway 65 Corridor Coalition. The mission of the coalition is to enhance safety and manage congestion to support economic development along the North TH 65 interregional corridor.

The City's economy remained strong in 2022, as evidenced by continued development and building activity. The City issued 63 new home permits with valuations totaling \$17,306,988 and 2 new commercial building permit with valuation totaling \$1,570,000.

Residents of Ham Lake are not dependent upon any major local employers due to the City's proximity to Minneapolis and St. Paul and the greater metropolitan area. The unemployment rate for Anoka County was 3.0 percent at the end of 2022, compared to 2.9 percent for the State of Minnesota and 3.5 percent for the United States.

## **Long-Term Financial Planning**

The City has a 5-year capital improvement plan which is updated annually. It is used to plan financially for future replacement of capital assets. The City transfers cash from the General Fund to the capital equipment funds each year so that sufficient funds are available to replace vehicles and most other capital assets without issuing debt. The City also has a pavement management plan which is reviewed and updated at least annually. It is used to plan financially for future street improvement projects and overlays. The City has a policy of levying for street overlays and reconstructions, thereby eliminating the need for special assessments and bonding to fund street projects. There has been a couple of

### **Long-Term Financial Planning (Continued)**

The City owes \$730,000 on a general obligation capital improvement bond which was issued in 2010 for the purpose of constructing additions to Fire Station 1 and the Public Works Building. The City owes \$59,348 to the City of Circle Pines for a general obligation capital note which was issued in 2016 for the purpose of financing the acquisition of capital equipment by the North Metro Telecommunications Commission. Repayment of this note is being made from franchise fees received from North Metro Telecommunications Commission. The City has no plans at this time for issuing additional debt.

The City's finances were last reviewed by Moody's Investor Service in 2017, and the City's bond rating was upgraded from Aa2 to Aa1. According to the press release, the rating reflects "a very healthy financial position as indicated by current fund balance and liquidity, as well as a recent operating trend that positions the city for ongoing fiscal stability. The rating also recognizes the city's low debt and pension burdens." For more information on the City's long-term debt, please see Note 5 of the Notes to the Financial Statements.

### **Relevant Financial Policies**

The City has a fund balance policy which states that the City will strive to maintain an unassigned general fund balance in the range of 35 to 50 percent of the next year's budgeted expenditures, including transfers. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements until the next property tax settlement is received in June of the following year. The unassigned fund balance for the General Fund at the end of 2022 was \$4,061,773, which equals 58.53 percent of the budgeted 2022 General Fund expenditures, including transfers.

The City has an investment policy which establishes the objectives and specific guidelines that are used in the investment of City funds. Safety of principal is the foremost objective of the investment policy. The other objectives are liquidity to meet operating requirements, obtaining a reasonable rate of return, and investing for the betterment of the local economy or local entities when possible. The investment policy states that the City will only invest in federal securities, bonds and notes issued by U.S. Government instrumentalities, certificates of deposit which are FDIC insured or otherwise collateralized by the investment institution, money market funds and government investment pools whose portfolios consist of investments allowed by Minnesota statute, and interest bearing checking and savings accounts. The investment policy also addresses internal control and reporting requirements.

The City subscribes to the "pooled cash" concept of investing, which means that all funds with cash balances participate in an investment pool. This pooled cash concept provides for investing greater amounts at more favorable rates. Interest earnings are then allocated monthly to the participating funds. For further information on the City's deposits and investments, please see Note 2 of the Notes to the Financial Statements.

The City has a policy on securities for performance and maintenance obligations. The only acceptable forms of securities are cash deposits and letters of credit. The policy addresses how the City shall handle cash deposits and requires that City staff use a rating system to investigate the financial condition of any institution that issues a letter of credit, prior to acceptance of the letter of credit and prior to any renewals.

The City has a policy on fixed assets with a \$5,000 threshold for capitalizing assets.

The City has an internal control policy. The small size of City staff makes it difficult to maintain complete segregation of duties, so the policy contains compensating procedures to minimize the City's exposure to loss of assets from theft or misuse.

### **Relevant Financial Policies (Continued)**

The City adopted Technology Use and Access Policies in 2016 for the purpose of maintaining security of the City's information technology network.

The City also has policies for purchasing, use of credit cards, write-off of accounts receivable, travel by elected officials and employees, payment for professional dues and memberships, and attendance at seminars and conferences. The purpose of these policies is to ensure that the City operates within legal limits for expenditure of public funds.

### **2022 Accomplishments**

- Administered a Small Business/Non-Profit grant program with American Rescue Plan Act funding
- Found efficient ways to send American Rescue Plan Act Funding by purchasing Public Works and Fire Equipment.
- Replaced electronic city sign
- Completed the Lund's Lakeview Forest Street Project
- Purchased a new Plow Truck for Public Works
- Upgraded Fire Station #1 AV Equipment
- Remodel of Public Works breakroom and common space

### **Future plans**

- Continue to come up with the most efficient way to send American Rescue Plan Act Funding
- Build and equip Fire Station #3
- Replace roof on City Hall and Fire Station 2
- Repair and upgrade sirens
- Replace several Public Works vehicles and various equipment
- Recodify City Code and improve online services
- Complete the online permitting project
- Continue overlay of City streets per the City's road rehabilitation plan
- Upgrade Path on Lexington Ave at Broadway
- Continue working with Anoka County and the Minnesota Department of Transportation to improve safety and traffic congestion issues along Highway 65, including construction of frontage roads.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ham Lake for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the fourteenth consecutive year that the City has received this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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 GFOA to determine its eligibility for another certificate.

**Awards and Acknowledgements (Continued)**

City management would like to express our appreciation to City Staff for their dedicated service and support throughout the year as well as to thank the Mayor and City Council for their continued interest and support in planning and conducting the financial operations of the City in a fiscally responsible manner.

Respectfully submitted,

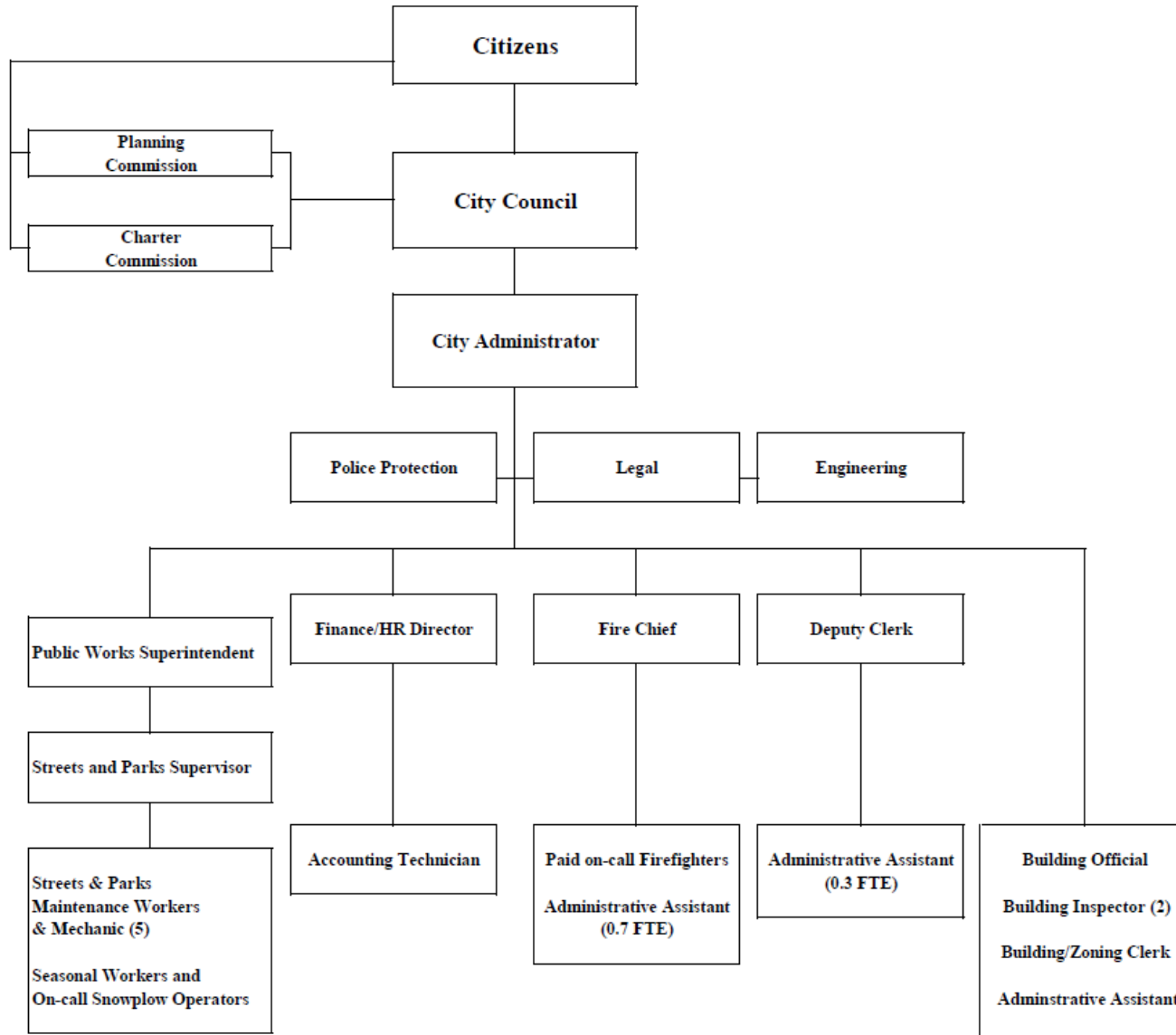
A handwritten signature in cursive script that reads "Andrea Murff". The signature is written in black ink and is positioned above the printed name and title.

Andrea Murff  
Finance/HR Director

**City of Ham Lake  
Elected Officials and Administration  
December 31, 2022**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Brian Kirkham	Acting Mayor	December 31, 2022
Jim Doyle	Council Member	December 31, 2022
Al Parranto	Council Member	December 31, 2022
Gary Kirkeide	Council Member	December 31, 2024
Jesse Wilken	Council Member	December 31, 2024
<u>Administration</u>		
Denise Webster	City Administrator	Appointed
Dawnette Shimek	City Clerk	Appointed
Andrea Murff	Finance Director/HR Director	Appointed
Michael Raczkowski	Fire Chief	Appointed
John Witkowski	Public Works Superintendent	Appointed

**CITY OF HAM LAKE, MINNESOTA  
ORGANIZATIONAL CHART  
December 31, 2022**



**City of Ham Lake  
Certificate of Achievement for Excellence in Financial Reporting**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Ham Lake  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Ham Lake  
Ham Lake, Minnesota

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ham Lake, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Ham Lake's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ham Lake, Minnesota, as of December 31, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Emphasis of Matter – Implementation of GASB 87**

The City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

## **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ham Lake's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

*BerganKDV, Ltd.*

Minneapolis, Minnesota  
June 7, 2023

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## **City of Ham Lake Management's Discussion and Analysis**

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

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$81,670,503 (net position). Of this amount, \$ 9,672,617 (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 \$8,972,264 as a result of revenues in excess of expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,514,325 an increase of \$1,443,175 in comparison with the prior year. Approximately 13.7 percent of this total amount, \$1,641,322, is either nonspendable or restricted for specific purposes. The remaining fund balance was committed by City Council, assigned or unassigned.
- At the end of the current fiscal year, unrestricted fund balance for the General fund was \$4,061,773 or 80.2 percent of 2022 General fund expenditures and 75.2 percent of the 2023 General fund budget.
- The City's total long-term debt decreased \$198,600 during the current fiscal year. The key factor of this decrease was due to regularly scheduled principal payments.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**City of Ham Lake  
Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

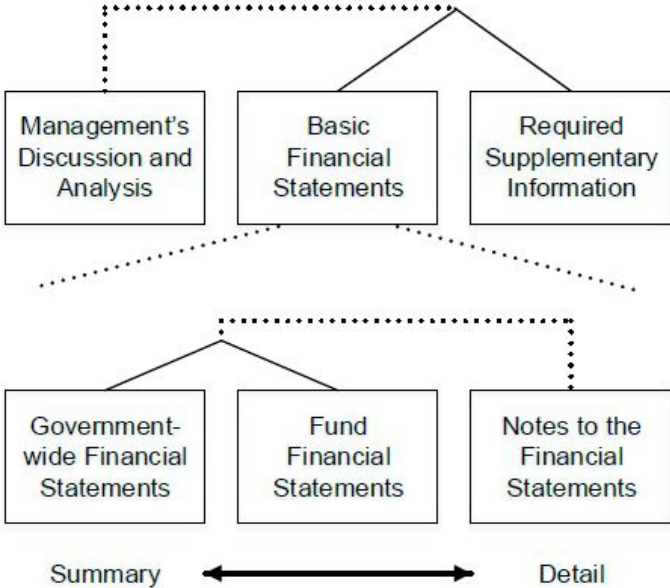


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

**City of Ham Lake  
Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

	<b>Government-wide Statements</b>	<b>Fund Financial Statements Governmental Funds</b>
Scope	Entire City government and the City's component units	The activities of the City, such as police, fire, and parks
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>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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 or resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/out flow 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

**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.

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

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



## City of Ham Lake Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

**Government-wide Financial Statements. (Continued)** Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development, and interest on long-term debt.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this *component unit* is not reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 33 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 shown as one category: governmental 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 (deficits) provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 16 individual governmental funds. The Debt Service funds consists of 2 sub-funds, there is 3 Capital Project funds, and there are 9 Special Revenue 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, Developer Escrow Deposits, Equipment and Building fund, and Revolving Street fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

## **City of Ham Lake Management's Discussion and Analysis**

### **OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

The City adopts an annual appropriated budget for the General fund. Budgetary comparison statements have been provided for the General fund to demonstrate compliance with their budget.

The basic governmental fund financial statements start on page 33 of this report.

### **OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 80 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 98 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 \$81,670,503 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (86.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are 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.

An additional portion of the City's net position, (\$1,541,736) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$9,672,617) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position.

**City of Ham Lake  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**City of Ham Lake's Summary of Net Position**

	Governmental Activities		
	2022	2021	Increase (Decrease)
<b>Assets</b>			
Current and other assets	\$ 17,598,550	\$ 14,263,144	\$ 3,335,406
Capital Assets	71,245,498	63,785,095	7,460,403
Total Assets	<u>88,844,048</u>	<u>78,048,239</u>	<u>10,795,809</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pension	859,519	731,917	127,602
<b>Liabilities</b>			
Long-term liabilities outstanding	2,501,646	1,467,288	1,034,358
Other liabilities	2,739,132	2,465,000	274,132
Total Liabilities	<u>5,240,778</u>	<u>3,932,288</u>	<u>1,308,490</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pensions	371,213	1,041,132	(669,919)
Deferred inflows of resources related to lease receivable	2,161,217	-	2,161,217
Deferred inflows of resources related to grants	259,856	1,108,497	(848,641)
Total Deferred Inflows of Resources	<u>2,792,286</u>	<u>2,149,629</u>	<u>642,657</u>
<b>Net Position</b>			
Net investment in capital Assets	70,456,150	62,797,147	7,659,003
Restricted for			
Debt Service	280,231	264,470	15,761
Capital Projects	1,042,357	1,011,834	30,523
Lawful Gambling	146,475	119,078	27,397
Recycling Program	72,673	70,940	1,733
Unrestricted	9,672,617	8,434,770	1,237,847
Total Net Position	<u>\$ 81,670,503</u>	<u>\$ 72,698,239</u>	<u>\$ 8,972,264</u>

**City of Ham Lake  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities.** Governmental activities increased the City's net position by \$8,972,264. Key elements of this increase are as follows:

**City of Ham Lake's Changes in Net Position**

	Governmental Activities		
	2022	2021	Increase (Decrease)
Revenues			
Program Revenues			
Charges for services	\$ 1,064,196	\$ 1,060,057	\$ 4,139
Operating Grants and contributions	351,216	363,997	(12,781)
Capital grants and contributions	8,881,320	6,801,898	2,079,422
General Revenues			
Taxes			
Property Taxes	5,696,533	5,228,297	468,236
Miscellaneous Taxes	89,589	91,554	(1,965)
Intergovernmental Revenues Not Restricted to Specific Programs	390,534	2,130	388,404
Interest and investment income	37,804	(3,841)	41,645
Other general revenue	10,996	7,293	3,703
Gain on sale of capital assets	185	83,182	(82,997)
Total Revenues	16,522,373	13,634,567	2,887,806
Expenses			
General government	1,739,042	1,129,663	609,379
Public Safety	2,460,873	2,228,626	232,247
Public works	2,861,565	2,149,396	712,169
Culture and recreation	356,448	382,414	(25,966)
Economic development	103,930	70,709	33,221
Interest and fiscal charges	28,251	34,915	(6,664)
Total Expenses	7,550,109	5,995,723	1,554,386
Change in Net Position	8,972,264	7,638,844	1,333,420
Net Position, January 1	72,698,239	65,059,395	7,638,844
Net Position, December 31	\$ 81,670,503	\$ 72,698,239	\$ 8,972,264

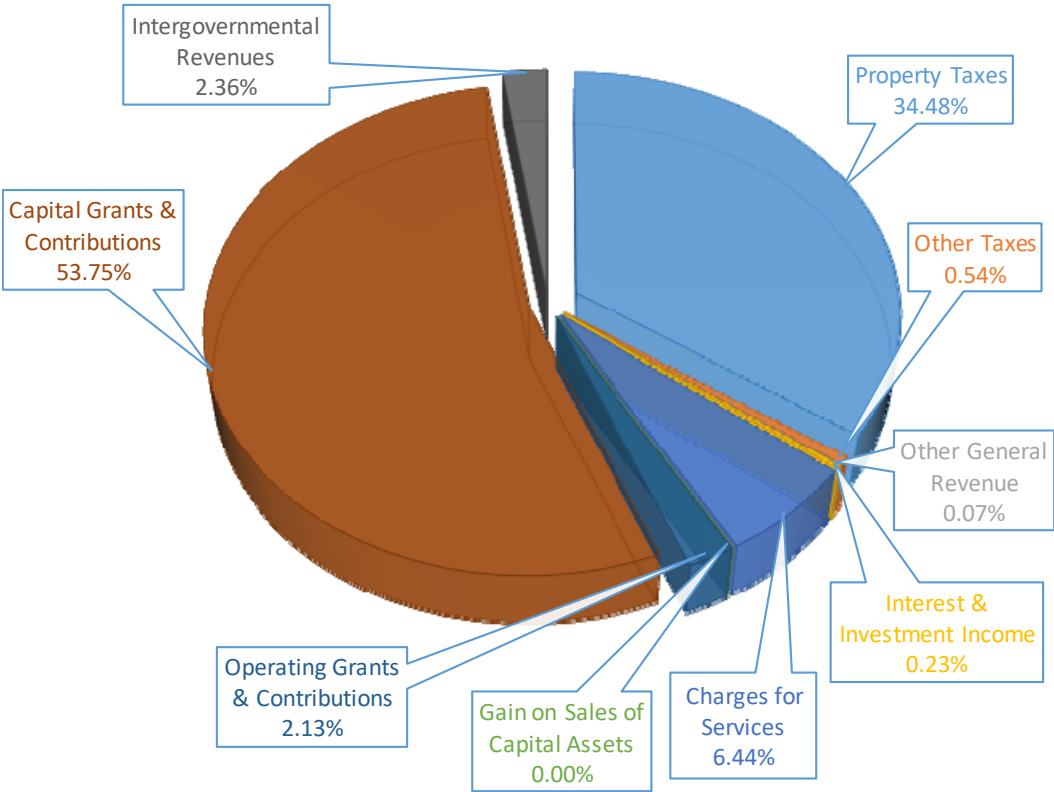
**City of Ham Lake  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities (Continued)**

Government-wide revenues increased \$2,887,806 from the prior year. The major components of this increase are as follows: Capital grants and contributions increased due to increases in the amount of donations received from developers of streets, easements, and street lights for new developments and state aid received for street projects. Property tax revenue increased due to an increase of 7.64 percent in the tax levy for the year. This increase was offset by an increase 9.6 percent increase in Tax Capacity causing the capacity tax rate to decrease 0.5 percent for 2022. Unrestricted Intergovernmental revenues increased due to the use of American Rescue Plan Act funds for various equipment and a small-business/nonprofit grant program.

**Revenues by Source - Governmental Activities**



Government-wide expenses increased \$1,554,386 from the prior year. The major components of this increase are as follows: Overall, all the functions of government saw an increase in their net pension liability as well as depreciation expense. Individually, Public Works expenses increased due to the completion of Lund's Lakeview street project and the purchase of a Snow Plow Truck, General Government expenses increased due to American Rescue Plan Act spending and the purchase of a new City sign, and Public Safety increased due to the increase in the Anoka county Police contract.

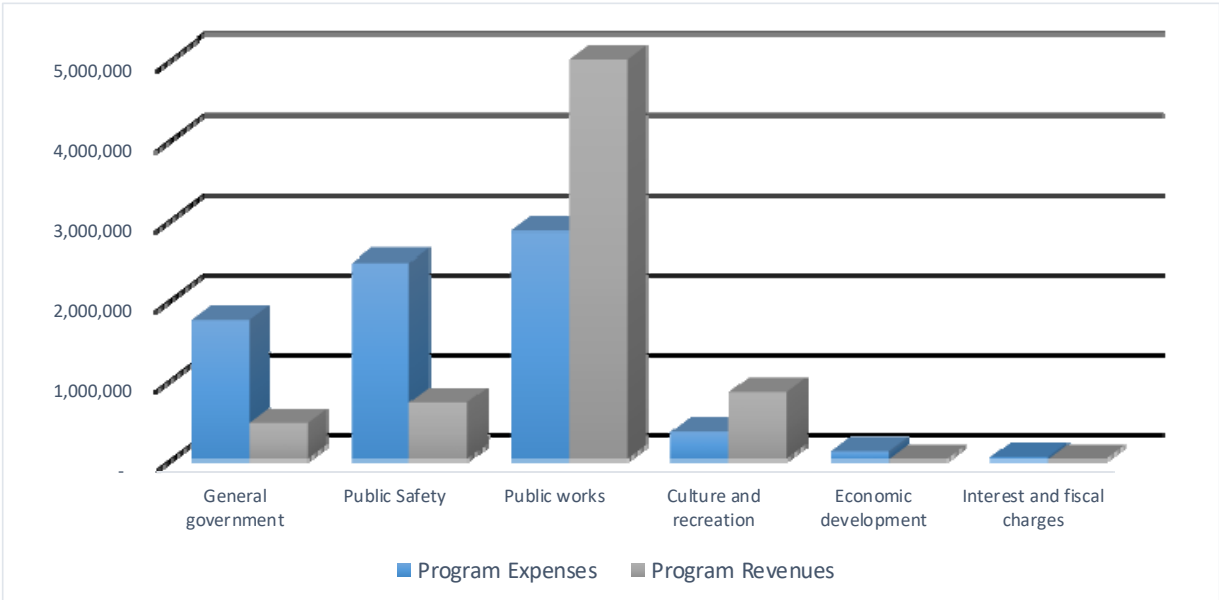
**City of Ham Lake  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities (Continued)**

The following graph depicts various governmental activities and shows the program revenues and expenses directly related to those activities.

**Expenses and Program Revenues - Governmental Activities**



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds.** As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,514,325, an increase of \$1,443,175 in comparison with the prior year. Approximately 37.8 percent of this total amount, \$ 3,972,866, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable (\$88,907), 2) restricted (\$1,552,415), 3) committed (\$588,625) or 4) assigned (\$4,311,512) for specific purposes.

The General fund had a total fund balance of \$4,061,773 at the current year end. The fund balance of the City's General fund increased \$406,468 during the current fiscal year. See the below "General Fund Budgetary Highlights" for more detail information.

The Developer Escrow Deposits fund has a fund balance of \$0.00 since this account only holds deposits from developers and other planning permitting activity.

**City of Ham Lake  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

The Equipment and Building fund has a fund balance of \$2,572,904, all of which is assigned for future capital acquisition and construction of municipal buildings and equipment. The fund balance increased \$370,612 during the current fiscal year due to the budgeted transfers from the general fund exceeding capital outlay expenditures.

The Revolving Street fund has a fund balance of \$1,738,608, all of which is assigned for road overlays and reconstruction. The fund balance increased \$809,061 during the current fiscal year due to the budgeted transfers from the general fund exceeding capital outlay expenditures.

**General Fund Budgetary Highlights**

Actual revenues favorably exceeded budget expectations by \$559,286. Expenditures unfavorably ended the year \$153,003 over budget, along with transfers and other financing sources. Overall, this resulted an increase in fund balance of \$406,468. Below is more detail on the different variances.

Revenue highlights include:

- Intergovernmental funding was \$427,748 in excess of the budget due to being able to recognize American Recovery Plan Act grant proceeds as revenue with qualifying expenditures for the year and more than anticipated State Aid for Fire Department training and Fire Relief pension.
- Charges for Services was \$80,983 in excess of the budget due to implementing GASB 87 resulting in recognizing Tower Lease interest and the additional subletting contracts through our SBA tower lease contracts.
- Other revenues ended over budget by \$40,198 due to receiving unbudgeted dividend from the League of Minnesota Cities Insurance Trust and reimbursement for the completion of the 2040 Comprehensive Plan from the Metropolitan Council.
- Investment income came in \$28,664 over budget. The City budgeted conservative in 2022 due to losses in previous years from the market value of certificates of deposit deteriorating, however, these losses were reversed once the Federal Reserve started to increase interest rates in 2022.
- Licenses and permits were \$21,967 in excess of budget mainly due to more Right of Way permits being issued and more Plan Reviews on plans needed to be done. However, overall building permits and other constructions permits were close to budget values and did not add to the favorable variance.
- General property taxes were \$42,330 below budget due to the receiving less than levied for 2022.

Expenditure highlights include:

- General Government was over budget \$390,422. This is mainly due to American Rescue Plan Act grant spending for a small business/non-profit grant program, Fire Department radios and equipment, and Public Work equipment not being budgeted expenditures. The use of these funds are approved separately by City Council.
- Public Safety was under budget \$69,451 due to budgeting for a Full-time investigator for the full year with the Anoka County Sheriff office, but the actual Investigator not starting until July as well as a second Building Inspector resigning in August and the position not being filled due to the change in seasonal demand for Building Permits.

**City of Ham Lake  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**General Fund Budgetary Highlights (Continued)**

- Public works was under budget \$48,164 due to 2022 Seal Coating project coming less than anticipated and not using appropriated funds for emergency capital asset spending.
- Parks and recreation was under budget \$119,804 for two reasons:
  - Full-time employees dedicated to the Parks Department and budgeted here. However, the employees actual work tasks are for Public Works duties and charged to this department.
  - There was no need for appropriated funds for emergency capital asset spending.

Overall, the General Fund saw a decrease in its fund balance. This was driven by transfers out to other funds of \$1,346,500. The excess revenue and conservative spending helped offset these transfers.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$71,245,498 (net of accumulated depreciation).

Major public project capital asset events during the current fiscal year were as follows:

- Completion of the Lund's Lakeview Forest Street project
- Donation of Streets for new developments
- Donation of Street Lights for new developments
- Street and Utility easement acquisitions
- Purchase of land for Hidden Forest East Park
- Installation of Park Equipment at Lion's Park
- Donation of Parkland for Hidden Forest East Park
- Purchase of a Garbage Lifter and Plow Truck for Public Works
- New City Sign installation
- Purchase of new Fire equipment

Additional information on the City's capital assets can be found in Note 3 starting on page 58 of this report.



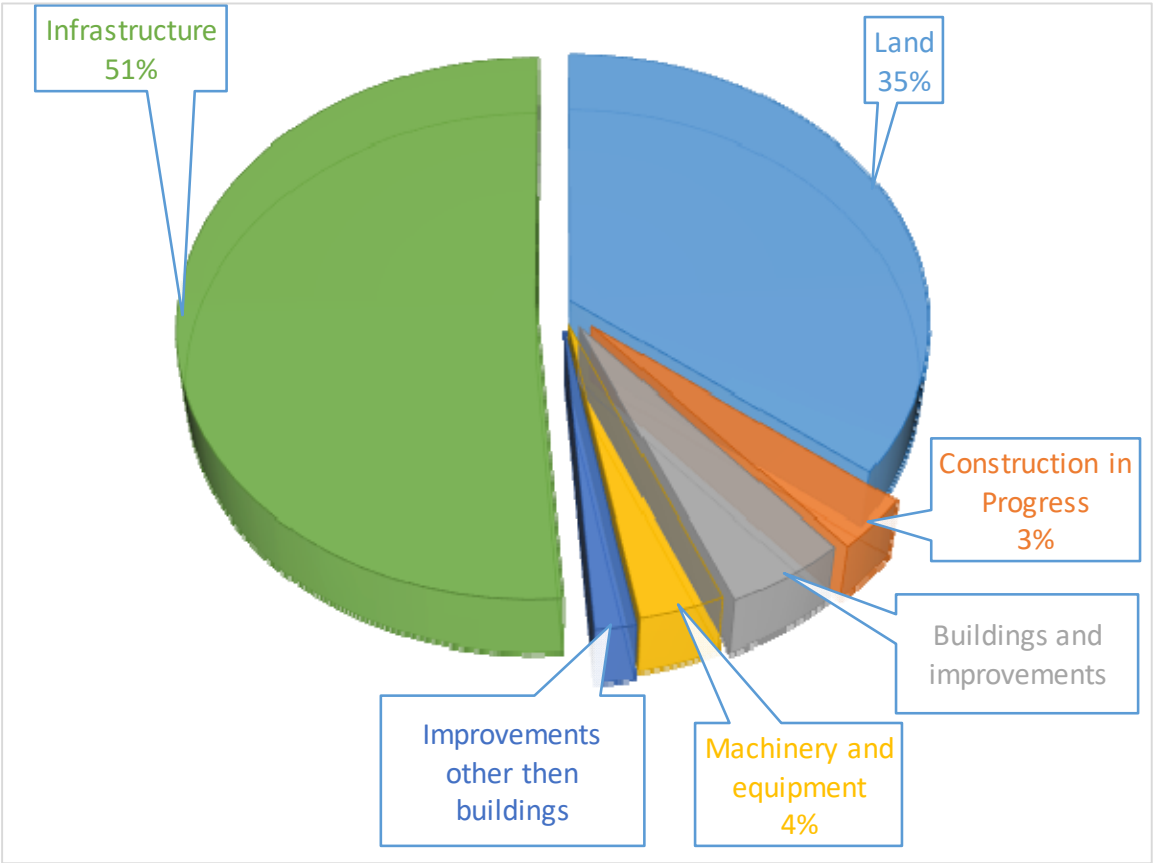
**City of Ham Lake  
Management's Discussion and Analysis**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Capital Assets. (Continued)**

**City of Ham Lake's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		
	2022	2021	Increase (Decrease)
Land	\$ 25,211,103	\$ 21,471,088	\$ 3,740,015
Construction in Progress	2,270,846	2,802,900	(532,054)
Buildings and improvements	3,562,827	3,689,622	(126,795)
Machinery and equipment	2,492,554	2,289,601	202,953
Improvements other than buildings	1,229,755	1,295,948	(66,193)
Infrastructure	36,478,413	32,235,936	4,242,477
<b>Total</b>	<b>\$ 71,245,498</b>	<b>\$ 63,785,095</b>	<b>\$ 7,460,403</b>



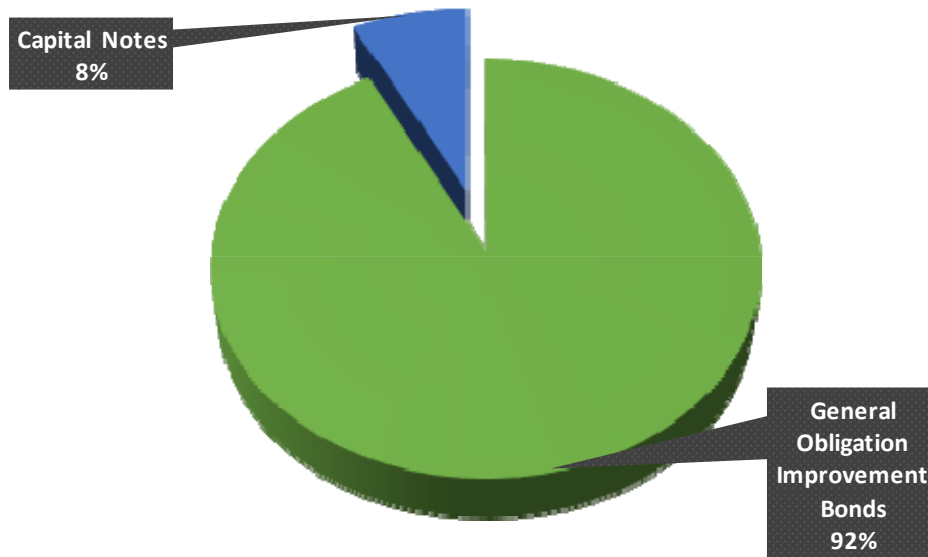
**City of Ham Lake  
Management's Discussion and Analysis**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$730,000. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City. The City also had a capital notes outstanding at the end of the current fiscal year of \$87,948.

**City of Ham Lake's Outstanding Debt**

	Governmental Activities		
	2022	2021	Increase (Decrease)
General Obligation Improvement Bonds	\$ 730,000	\$ 900,000	\$ (170,000)
Capital Notes	59,348	87,948	(28,600)
Total	\$ 789,348	\$ 987,948	\$ (198,600)



The City's total debt decreased \$198,600 during the current fiscal year due to annually scheduled debt payments.

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. The current debt limitation for the City is \$69,362,583. The City is under the statutory debt limit as of December 31, 2022.

Additional information on the City's long-term debt can be found in Note 5 starting on page 43 of this report.

**City of Ham Lake  
Management's Discussion and Analysis**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- In March 2020, the nation went into a State of Emergency due to the Coronavirus. The Federal Government has tried to alleviate some of the issues of economic contraction and hardships the caused by the virus by developing various stimulus packages. The latest funding is from the American Rescue Plan Act. The City has received all of \$1.8 million funding. The funds need to be obligated by 2024 and expended by 2026. The City currently has spent \$159,577 on a grant program for small businesses and non-profits and \$447,384 on various Fire and Public Works equipment. There is \$48,191 obligated for additional Fire and Public Works Equipment. There is \$1.1M earmarked for a street project and is still subject to full Council Approval. There is approximately \$91,568 remaining
- The City's Tax Levy increased 11.49% to \$619,590 in 2023. However, due to a higher tax capacity due to more development the tax capacity rate decreased 1.99 percent to 19.50 percent.
- The City is slated to receive \$721,500 in Public Safety Aid in 2024.
- In 2022 the Federal Reserve started to increase interest rates to combat high inflation causing investment income to increase beyond expectations for 2022 and thus far for 2023. These fluctuations will be carefully monitored over 2023.
- The City will be starting construction on Fire Station #3 the summer of 2023 and will be considering ways to equip it with needed equipment and Fire Fighters.

All of these factors were considered in the preparation of the City's budget for the 2024 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 City of Ham Lake, Finance Department, 15544 Central Avenue NE, Ham Lake, Minnesota 55304.

## **BASIC FINANCIAL STATEMENTS**

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**City of Ham Lake  
Statement of Net Position  
December 31, 2022**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 13,074,949
Receivables	
Accounts receivable	72,310
Accrued interest receivable	102,319
Lease receivable	2,161,217
Taxes receivable	267,763
Special assessments receivable	950,394
Due from other governments	78,386
Prepaid items	88,907
Net pension asset - Fire Relief Association	802,305
Capital assets not being depreciated	
Land	25,211,103
Construction in progress	2,270,846
Capital assets net of accumulated depreciation	
Buildings	3,562,827
Improvements other than buildings	1,229,755
Infrastructure	36,478,413
Machinery and equipment	2,492,554
Total assets	88,844,048
<b>Deferred outflows of resources related to pensions</b>	
Deferred outflows of resources related to pensions	859,519
 Total assets and deferred outflows of resources	 \$ 89,703,567
<b>Liabilities</b>	
Salaries and benefits payable	\$ 43,097
Accounts payable	380,751
Accrued interest payable	10,679
Due to other governments	158,373
Deposits payable	678,589
Unearned revenue	1,467,643
Bond principal payable	
Payable within one year	204,334
Payable after one year	585,014
Compensated absences payable	
Payable within one year	71,215
Payable after one year	23,748
Net pension liability - payable after one year	1,617,335
Total liabilities	5,240,778
<b>Deferred inflows of resources related to pensions</b>	
Deferred inflows of resources related to pensions	371,213
Deferred inflows related to leases	2,161,217
Grants received for subsequent years	259,856
Total deferred inflows of resources	2,792,286
<b>Net Position</b>	
Net investment in capital assets	70,456,150
Restricted for	
Debt service	280,231
Capital projects	1,042,357
Lawful gambling	146,475
Recycling program	72,673
Unrestricted	9,672,617
Total net position	81,670,503
 Total liabilities, deferred inflows of resources, and net position	 \$ 89,703,567

See notes to basic financial statements.

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**City of Ham Lake  
Statement of Activities  
Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Services		Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental activities					
General government	\$ 1,739,042	\$ 384,465	\$ 80,845	\$ -	\$ (1,273,732)
Public safety	2,460,873	569,768	139,032	-	(1,752,073)
Public works	2,861,565	106,238	131,339	8,046,269	5,422,281
Community development	103,930	-	-	-	(103,930)
Parks and recreation	356,448	3,725	-	835,051	482,328
Interest on long-term debt	28,251	-	-	-	(28,251)
Total governmental activities	<u>\$ 7,550,109</u>	<u>\$ 1,064,196</u>	<u>\$ 351,216</u>	<u>\$ 8,881,320</u>	<u>2,746,623</u>
General revenues					
Taxes					
					5,487,117
					209,416
					59,846
					29,743
					390,534
					37,804
					10,996
					185
					<u>6,225,641</u>
					8,972,264
					<u>72,698,239</u>
					<u>\$ 81,670,503</u>

See notes to basic financial statements.



**City of Ham Lake**  
**Balance Sheet - Governmental Funds**  
**December 31, 2022**

	General Fund	Developer Escrow Deposits	Equipment and Building	Revolving Street
<b>Assets</b>				
Cash and investments	\$ 5,563,760	\$ 681,901	\$ 2,573,915	\$ 2,118,268
Accounts receivable	6,580	-	-	6,680
Lease receivable	2,161,217	-	-	-
Accrued interest receivable	82,154	-	7,598	6,247
Taxes receivable	267,763	-	-	-
Special assessments receivable	-	-	-	884,482
Due from other governments	1,946	-	-	-
Prepaid items	88,907	-	-	-
	<u>\$ 8,172,327</u>	<u>\$ 681,901</u>	<u>\$ 2,581,513</u>	<u>\$ 3,015,677</u>
<b>Liabilities</b>				
Salaries and benefits payable	\$ 43,097	\$ -	\$ -	\$ -
Accounts payable	132,254	3,129	8,286	134,947
Due to other governments	157,866	184	323	-
Deposits payable	1	678,588	-	-
Unearned revenue	1,462,243	-	-	-
Total liabilities	<u>1,795,461</u>	<u>681,901</u>	<u>8,609</u>	<u>134,947</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - taxes	153,876	-	-	-
Unavailable revenue - special assessments	-	-	-	882,266
Unavailable revenue - other	-	-	-	259,856
Deferred inflows related to leases	2,161,217	-	-	-
Total deferred inflows of resources	<u>2,315,093</u>	<u>-</u>	<u>-</u>	<u>1,142,122</u>
<b>Fund Balances</b>				
Nonspendable	88,907	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	2,572,904	1,738,608
Unassigned	3,972,866	-	-	-
Total fund balances	<u>4,061,773</u>	<u>-</u>	<u>2,572,904</u>	<u>1,738,608</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,172,327</u>	<u>\$ 681,901</u>	<u>\$ 2,581,513</u>	<u>\$ 3,015,677</u>

Other Governmental Funds	Total Governmental Funds
\$ 2,137,105	\$ 13,074,949
59,050	72,310
-	2,161,217
6,320	102,319
-	267,763
65,912	950,394
76,440	78,386
-	88,907
<u>\$ 2,344,827</u>	<u>\$ 16,796,245</u>
\$ -	\$ 43,097
102,135	380,751
-	158,373
-	678,589
5,400	1,467,643
<u>107,535</u>	<u>2,728,453</u>
-	153,876
64,912	947,178
31,340	291,196
-	2,161,217
<u>96,252</u>	<u>3,553,467</u>
-	88,907
1,552,415	1,552,415
588,625	588,625
-	4,311,512
-	3,972,866
<u>2,141,040</u>	<u>10,514,325</u>
<u>\$ 2,344,827</u>	<u>\$ 16,796,245</u>

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**City of Ham Lake  
Reconciliation of the Balance Sheet to  
the Statement of Net Position - Governmental Funds  
December 31, 2022**

Total fund balances - governmental funds	\$ 10,514,325
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	88,745,027
Less accumulated depreciation	(17,499,529)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds and notes payable	(789,348)
Compensated absences payable	(94,963)
Net pension liability	(1,617,335)
Net pension assets created through non-employer contributions to defined benefit pension plans are not recognized in the governmental funds.	802,305
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred outflows of resources related to pensions	859,519
Deferred inflows of resources related to pensions	(371,213)
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property taxes	153,876
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Special assessments receivable	947,178
Park dedication receivable	31,340
Governmental funds do not report a liability for accrued interest due and payable.	<u>(10,679)</u>
Total net position - governmental activities	<u>\$ 81,670,503</u>

**City of Ham Lake**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2022**

	General Fund	Developer Escrow Deposits	Equipment and Building	Revolving Street
<b>Revenues</b>				
Property taxes	\$ 5,376,363	\$ -	\$ -	\$ -
Miscellaneous taxes	-	-	-	-
Special assessments	-	-	-	72,240
Licenses and permits	570,567	-	-	-
Intergovernmental	578,748	-	-	1,160,709
Charges for services	223,508	92,446	-	-
Fines and forfeitures	32,056	-	-	-
Investment income	29,664	-	1,518	5,368
Other revenues	50,698	-	-	4,015
Total revenues	<u>6,861,604</u>	<u>92,446</u>	<u>1,518</u>	<u>1,242,332</u>
<b>Expenditures</b>				
Current				
General government	1,466,709	92,446	-	-
Public safety	2,348,949	-	6,120	-
Public works	1,058,131	-	-	3,687
Economic development	-	-	-	-
Park and recreation	193,133	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
General government	3,345	-	6,094	-
Public safety	22,587	-	65,192	-
Public works	4,957	-	-	1,329,584
Economic development	-	-	-	-
Park and recreation	12,210	-	-	-
Total expenditures	<u>5,110,021</u>	<u>92,446</u>	<u>77,406</u>	<u>1,333,271</u>
Excess of revenues over (under) expenditures	1,751,583	-	(75,888)	(90,939)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	185	-	-	-
Transfers in	1,200	-	446,500	900,000
Transfers out	(1,346,500)	-	-	-
Total other financing sources (uses)	<u>(1,345,115)</u>	<u>-</u>	<u>446,500</u>	<u>900,000</u>
Net change in fund balances	406,468	-	370,612	809,061
<b>Fund Balances</b>				
Beginning of year	<u>3,655,305</u>	<u>-</u>	<u>2,202,292</u>	<u>929,547</u>
End of year	<u>\$ 4,061,773</u>	<u>\$ -</u>	<u>\$ 2,572,904</u>	<u>\$ 1,738,608</u>

Other Governmental Funds		Total
\$ 209,416	\$ 5,585,779	
89,589	89,589	
85	72,325	
-	570,567	
86,174	1,825,631	
104,906	420,860	
-	32,056	
1,254	37,804	
112,481	167,194	
<u>603,905</u>	<u>8,801,805</u>	
31,074	1,590,229	
25,000	2,380,069	
153,385	1,215,203	
35,830	35,830	
-	193,133	
198,600	198,600	
30,615	30,615	
186,816	196,255	
-	87,779	
-	1,334,541	
68,100	68,100	
16,251	28,461	
<u>745,671</u>	<u>7,358,815</u>	
(141,766)	1,442,990	
-	185	
89,000	1,436,700	
<u>(90,200)</u>	<u>(1,436,700)</u>	
<u>(1,200)</u>	<u>185</u>	
(142,966)	1,443,175	
<u>2,284,006</u>	<u>9,071,150</u>	
<u>\$ 2,141,040</u>	<u>\$ 10,514,325</u>	

**City of Ham Lake**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to**  
**the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2022**

Net change in fund balances - governmental funds \$ 1,443,175

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	1,399,963
Depreciation expense	(1,634,081)
Loss on disposal	(25,618)
Contributed assets	7,720,139

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities. 198,600

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 2,364

Compensated absences are recognized when paid in the governmental funds but recognized when incurred in the Statement of Activities. 4,329

Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

Pension expense	(136,851)
State aid	6,979

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments deferred	(80,131)
Park dedication	(37,358)

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property taxes delinquent	110,754
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Change in net position - governmental activities \$ 8,972,264

**City of Ham Lake**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
<b>Revenues</b>			
Property taxes	\$ 5,418,693	\$ 5,376,363	\$ (42,330)
Licenses and permits	548,600	570,567	21,967
Intergovernmental	151,000	578,748	427,748
Charges for services	142,525	223,508	80,983
Fines and forfeitures	30,000	32,056	2,056
Investment income	1,000	29,664	28,664
Other revenues	10,500	50,698	40,198
Total revenues	<u>6,302,318</u>	<u>6,861,604</u>	<u>559,286</u>
<b>Expenditures</b>			
Current			
General government	1,068,642	1,466,709	398,067
Public safety	2,393,987	2,348,949	(45,038)
Public works	1,088,252	1,058,131	(30,121)
Park and recreation	306,647	193,133	(113,514)
Capital outlay			
General government	10,990	3,345	(7,645)
Public safety	47,000	22,587	(24,413)
Public works	23,000	4,957	(18,043)
Park and recreation	18,500	12,210	(6,290)
Total expenditures	<u>4,957,018</u>	<u>5,110,021</u>	<u>153,003</u>
Excess of revenues over expenditures	1,345,300	1,751,583	406,283
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,200	1,200	-
Transfers out	<u>(1,346,500)</u>	<u>(1,346,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,345,300)</u>	<u>(1,345,115)</u>	<u>185</u>
Net change in fund balance	<u>\$ -</u>	<u>406,468</u>	<u>\$ 406,468</u>
<b>Fund Balance</b>			
Beginning of year		<u>3,655,305</u>	
End of year		<u>\$ 4,061,773</u>	



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**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Ham Lake is a charter city governed by an elected mayor and four City Council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

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.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are 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 each of the categories above, the specific entities are identified as listed below and on the following page.

**1. Blended Component Unit**

The Ham Lake Economic Development Authority (EDA) was organized in 1998 for the purpose of promoting economic development in the Ham Lake area. The EDA shall consist of five members, who shall be the incumbent Mayor and four incumbent City Council members of the Ham Lake City Council. Officers of the EDA shall include an Assistant Treasurer and Secretary, who shall be paid employees of the City, to be appointed annually by the EDA.

A component unit is a legally separate entity, so there is a basic assumption it should be presented separately (discretely) from the primary government. However, a blended component unit functions as an integral part of the primary government and is presented as though it were a fund of the primary government.

The Ham Lake EDA meets the requirements for a blended component unit because it has a shared governing body with the primary government. The City also has operational responsibilities of the EDA. Therefore, it is presented as a governmental fund in the financial statements of the City.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**2. Joint Ventures**

The City has agreements with governmental and other entities which provide reduced costs, better service, and additional benefits to the participants. These programs which the City participates in are listed as follows:

**a. North Metro Telecommunications Commission**

In 1983, the City adopted an ordinance establishing a franchise for a cable communications system. The City and neighboring municipalities formed the North Metro Telecommunications Commission (the "Commission"). The purpose of this organization is to monitor the operations and activities of cable communications of the member municipalities. The Commission also provides coordination, administration, and enforcement of the franchises for the cable communication system.

The City receives a portion of the franchise fees, which are reported in the Cable Television Special Revenue Fund. These revenues are committed for cable television related purchases. Financial statements for the Commission can be obtained by writing to: North Metro Telecommunications Commission, 12520 Polk Street NE, Blaine, Minnesota 55434.

**b. Senior Housing Project**

In March 1996, the City entered into a joint powers agreement with the Anoka County Housing and Redevelopment Authority (HRA) for the construction of a senior housing facility. The City was required to purchase two parcels of land and convey title for those parcels to the Anoka County HRA at the closing of the bond sale. The City also incurred development costs for the project. The bonds were sold by the Anoka County HRA and backed by the general obligation of the City. The Anoka County HRA holds title to the land on which the facility is built and shall not transfer ownership of the land to any other entity except in accordance with the provisions of a right of first refusal in favor of the City.

Requests for the financial statements of the Anoka County HRA should be addressed to Jerry Soma, County Administrator, Anoka County, 2100 3rd Avenue, Anoka, Minnesota 55303.

**c. Anoka County Fire Protection Council**

In December 2014, the City of Ham Lake entered into a joint powers agreement with the Cities of Anoka, Champlin, Andover, Bethel, Centerville, Lino Lakes, Circle Pines, Coon Rapids, Columbia Heights, East Bethel, Fridley, Hilltop, Lexington, Nowthen, Oak Grove, Ramsey, St. Francis, Spring Lake Park, Blaine, Mounds View, and the Township of Linwood to form the Anoka County Fire Protection Council (ACFPC). The purpose of the ACFPC is to join together to improve the efficiency and effectiveness of fire and emergency services to the public within the geographic service area of the Members. Specifically, ACFPC will cooperatively address the Members' long-term needs for fire-fighting and emergency equipment, fire records data systems, fire-fighter and EMS training, fire prevention, fire inspection, fire-related public education, and other fire- and emergency-related essentials.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**2. Joint Ventures (Continued)**

**a. Anoka County Fire Protection Council (Continued)**

Requests for financial information of the ACFPC should be addressed to Spring Lake Fire Dept., Inc., 1710 County Hwy 10, Spring Lake Park, MN 55432.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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. Internally dedicated revenues are reported as general revenues rather than program revenues.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current 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.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

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.

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.

**Description of Funds:**

Major Governmental Funds:

General Fund – This 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.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds: (Continued)**

Major Governmental Funds: (Continued)

Developer Escrow Deposits Fund – This fund is used to pay development costs incurred by the City and also to maintain deposits from homeowners pending establishment of turf and paving of driveways.

Equipment and Building Fund – This fund accounts for the resources accumulated and payments made for the acquisition and construction of municipal buildings and equipment.

Revolving Street Fund – This fund is a capital project fund which accounts for resources accumulated and payments made for construction of municipal streets.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

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.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

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.

*Minnesota Statutes* authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City are reported at fair value as disclosed in Note 4. 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.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**1. Deposits and Investments (Continued)**

The City adopted an investment policy to address custodial credit risk, credit risk, concentration of credit risk, and interest rate risk. The policy states the City will invest in certificates of deposit, money market funds, interest bearing checking and saving accounts and government bonds, notes, bills, and mortgages.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are 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.

**2. Property Taxes**

The City Council annually adopts a tax levy in December and certifies it to the County 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. The taxes are collected by the County Auditor and tax settlements are made to the City during January, July, and December each year.

Delinquent taxes receivable includes the past six years of uncollected property taxes. Delinquent taxes have been offset by a deferred inflow of resources for those amounts not received within 60 days of year end.

**3. Accounts Receivable**

Accounts receivable include amounts billed for services provided before year end. All accounts are considered collectible at year end. Therefore, there has been no allowance for doubtful accounts established.

**4. Special Assessments**

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

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**5. Prepaid Items**

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

**6. Assets Held for Resale**

This asset represents an asset owned by the City with the intent to sell. It is recorded at the lesser of historical cost or net realizable value.

**7. 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 columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an estimated useful life in excess of one year and with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Property, plant, and equipment of the City are depreciated using the straight-line method over the estimated useful lives as listed below.

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Improvements other than Buildings	40
Buildings	40
Machinery Equipment and Vehicles	5-20



**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**8. 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 assets 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 only one item that qualifies for reporting in this category. Accordingly, the item, deferred outflows of resources related to pensions, is reported only in the Statement of Net Position. This item results from various estimate differences that will be amortized and recognized over future years and current year pension contributions made subsequent to the measurement date.

**9. Compensated Absences**

It is the City's policy to permit employees to accumulate a portion of earned but unused vacation and sick pay benefits. Accumulated vacation and sick pay are accrued when incurred in the government-wide financial statements. In the case of an employee leaving, the General fund would typically be responsible for liquidation of the liability.

**10. 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 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. It was determined, in accordance with GASB Statement 75, at December 31, 2021, that the City has a zero liability.

**11. Long-term Obligations**

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

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

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**12. 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.

**13. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City presents deferred inflows of resources on the Governmental Funds Balance Sheet as unavailable revenue and grants for subsequent years. The governmental funds report unavailable revenues from four sources: property taxes, special assessments, park dedication, and grants for subsequent years from the Municipal State Aid Street program as timing requirements for revenue recognition have not yet been met. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City presents deferred inflows of resources on the Governmental Funds Balance Sheet and Statement of Net Position for grants for subsequent years from the Municipal State Aid Street program and amounts related to lease receivable balances. The City presents deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

**14. 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 Fund Balances – Amounts that cannot be spent because they are not in spendable form, such as prepaid items.
- Restricted Fund Balances – Amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**14. Fund Balance (Continued)**

- Committed Fund Balances – 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 Fund Balances – 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 and/or Finance Director and requires approval from the City Council.
- Unassigned Fund Balances – The residual classification for the General Fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City has formally adopted a fund balance policy for the General Fund. The City's policy is to maintain a minimum unassigned fund balance of 35-50 percent of the next year's budgeted expenditures, including transfers.

**15. Net Position**

Net position represents the difference between assets/deferred outflows of resources and liabilities/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 acquiring capital assets.
- b. Restricted Net Position – Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.
- c. Unrestricted Net Position – All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**15. Net Position (Continued)**

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.

**E. 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.

**F. Budgetary Information**

1. In August of each year, City staff submits to the City Council, a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Expenditures may not legally exceed budgeted appropriations at the department level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund. Management may amend budgets within a department level, so long as the total department budget is not changed.
6. Annual appropriated budgets are adopted during the year for the General Fund, Special Revenue Funds, Capital Project Funds (excluding the Developer Escrow Deposits Fund), and Debt Service Funds.
7. Budgeted amounts are as originally adopted or as amended by the City Council. There were no budget amendments made during 2022. Budgeted expenditure appropriations lapse at year-end.

Encumbrances outstanding at year-end expire and outstanding purchase orders are canceled and not reported in the financial statements.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and investments". For purposes of identifying risk of investing public funds, the balances are summarized on the following pages.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits**

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. In accordance with *Minnesota Statutes* and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

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

At December 31, 2022, the City's carrying amount of deposits was \$3,298,730 and the bank balance was \$3,302,249. The entire bank balance was covered by Federal depository insurance or by collateral held by the City's agent in the City's name.

**B. Investments**

As of December 31, 2022, 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/ Rating <sup>(1)</sup>	Segmented Time Distribution <sup>(2)</sup>	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Investments at amortized costs						
Minnesota Municipal Money Market Fund	N/A	less than 1 year	\$ 5,480,724	\$ -	\$ -	\$ -
Investments at fair value						
Brokered Certificate of Deposit	N/A	less than 1 year	1,752,994	-	1,752,994	-
Brokered Certificate of Deposit	N/A	1 to 5 years	2,542,401	-	2,542,401	-
Total investments			\$ 9,776,119	\$ -	\$ 4,295,395	\$ -

(1) Ratings are provided by various credit ratings agencies, where applicable, to indicate associate credit risk.

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

N/A Indicates not applicable or available

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

- \$5,480,724 of investments are valued using amortized cost
- \$4,295,395 of investments are valued using a matrix pricing model (Level 2 inputs)

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* 118A.04-05 limits investments that are in the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy limits its investments to those specified in these Statutes. The City's investments are not rated.

**Custodial Credit Risk – Investments:** This is the risk that in the event of the failure of the counter-party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the City's investment policy, the City will minimize custodial credit risk on bank deposits by obtaining collateral for all uninsured amounts on deposit. The City further restricts the type of collateral to be used to secure deposits to obligations that are directly or indirectly backed by the United States of America. The policy states the City will minimize custodial credit risk by requiring that brokers only be permitted to obtain investments of the City and hold them to the extent that there is SIOB and excess SIPC coverage available.

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of a city's investment in a single issuer. In accordance with the City's investment policy, the City diversifies its investment portfolio to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Concentration of credit risk does not apply to investments which are explicitly guaranteed by the U.S. government or to nonnegotiable certificates of deposit (bank CDs). The City minimizes concentration of credit risk by diversifying investments. The City minimized concentration of credit risk through primarily investing in investments guaranteed by the U.S. government and 4M pooled investments. Individual brokered certificates of deposit were all under 5% of the City's total investment portfolio.

**Interest Rate Risk:** This 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 minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City also permits no more than 20% of the total investments to extend beyond 5 years and in no circumstances should any extend beyond 10 years.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

A reconciliation of cash and investments as shown on the financial statements for the City follows:

	Primary Government
Carrying amount of deposits	\$ 3,298,730
Investments	9,776,119
Cash on hand	100
 Total	 \$ 13,074,949
 As reported on the financial statements Statement of Net Position	 \$ 13,074,949

**NOTE 3 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land and easements	\$ 21,471,088	\$ 3,742,261	\$ (2,246)	\$ 25,211,103
Construction in progress	2,802,900	996,321	(1,528,375)	2,270,846
Total capital assets not being depreciated	24,273,988	4,738,582	(1,530,621)	27,481,949
Capital assets being depreciated				
Buildings	6,203,076	26,588	-	6,229,664
Improvements other than buildings	2,490,459	9,829	-	2,500,288
Infrastructure	39,909,028	5,283,174	(19,261)	45,172,941
Machinery and equipment	6,836,644	590,304	(66,763)	7,360,185
Total capital assets being depreciated	55,439,207	5,909,895	(86,024)	61,263,078
Less accumulated depreciation				
Buildings	(2,513,454)	(153,383)	-	(2,666,837)
Improvements other than buildings	(1,194,511)	(76,022)	-	(1,270,533)
Infrastructure	(7,673,092)	(1,021,436)	-	(8,694,528)
Machinery and equipment	(4,547,043)	(383,240)	62,652	(4,867,631)
Total accumulated depreciation	(15,928,100)	(1,634,081)	62,652	(17,499,529)
 Total capital assets being depreciated, net	 39,511,107	 4,275,814	 (23,372)	 43,763,549
 Governmental activities capital assets, net	 \$ 63,785,095	 \$ 9,014,396	 \$ (1,553,993)	 \$ 71,245,498

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 3 – CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities	
General Government	\$ 80,367
Public Safety	217,065
Public Works	1,211,310
Parks and Recreation	<u>125,339</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,634,081</u>

**NOTE 4 – INTERFUND ACTIVITY**

**A. Transfers**

Transfers during the year ended December 31, 2022, were as follows:

Fund	Transfers In				Total
	General	Equipment and Building	Revolving Street	Nonmajor Governmental	
Transfers out					
General	\$ -	\$ 446,500	\$ 900,000	\$ -	\$ 1,346,500
Nonmajor governmental	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>89,000</u>	<u>90,200</u>
Total	<u>\$ 1,200</u>	<u>\$ 446,500</u>	<u>\$ 900,000</u>	<u>\$ 89,000</u>	<u>\$ 1,436,700</u>

For the year ended December 31, 2022, the City made the following transfers:

- The General Fund transferred \$446,500 to the Equipment and Building Fund and \$900,000 to the Revolving Street Fund for capital financing and operations.
- The Lodging Tax Fund transferred \$1,200 to the General Fund for lodging tax.
- The Cable Fund transferred \$89,000 to the Ham Laker Fund to cover the fund's cash deficit.

**NOTE 5 – LEASE RECEIVABLE**

The City entered into four cell tower leases. These leases have a discount rate of 3%. Revenue from these leases for the year ended December 31, 2022, was \$147,981. The deferred inflow and receivable balance related to this lease is \$2,161,217 as of December 31, 2022.

**NOTE 6 – LONG TERM DEBT**

**A. General Obligation Bonds**

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



**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 6 – LONG TERM DEBT (CONTINUED)**

**A. General Obligation Bonds (Continued)**

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City has the following general obligation debt.

Description	Authorized and issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds					
G.O Capital Improvement					
Plan Bonds, Series 2010A	\$ 1,540,000	2.0-3.50 %	8/1/2010	2/1/2026	\$ 730,000
Capital Notes, Series 2016A	197,534	2.0	4/14/2016	2/1/2026	59,348
					<u>59,348</u>
Total G.O. Bonds					<u>\$ 789,348</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 204,334	\$ 22,896	\$ 227,230
2024	210,014	16,651	226,665
2025	185,000	9,889	194,889
2026	190,000	3,325	193,325
	<u>190,000</u>	<u>3,325</u>	<u>193,325</u>
Total	<u>\$ 789,348</u>	<u>\$ 52,761</u>	<u>\$ 842,109</u>

**B. Changes in Long-Term Liabilities**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
G.O. Bonds payable	\$ 987,948	\$ -	\$ (198,600)	\$ 789,348	\$ 204,334
Compensated absences payable	99,292	94,963	(99,292)	94,963	71,215
	<u>99,292</u>	<u>94,963</u>	<u>(99,292)</u>	<u>94,963</u>	<u>71,215</u>
Total	<u>\$ 1,087,240</u>	<u>\$ 94,963</u>	<u>\$ (297,892)</u>	<u>\$ 884,311</u>	<u>\$ 275,549</u>

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 7 – FUND BALANCE**

**Fund Balance Classifications**

The following is a summary of the components of fund balance:

	General	Developer Escrow Deposits	Equipment and Building	Revolving Street	Other Governmental Funds	Total
Nonspendable						
Prepaid items	\$ 88,907	\$ -	\$ -	\$ -	\$ -	\$ 88,907
Restricted for						
Park and trails	\$ -	\$ -	\$ -	\$ -	\$ 1,042,357	\$ 1,042,357
Lawful gambling	-	-	-	-	146,475	146,475.00
Recycling program	-	-	-	-	72,673	72,673.00
Debt Service	-	-	-	-	290,910	290,910.00
Total restricted	\$ -	\$ -	\$ -	\$ -	\$ 1,552,415	\$ 1,552,415
Committed to						
Cable television	\$ -	\$ -	\$ -	\$ -	\$ 190,564	\$ 190,564
Ham Laker	-	-	-	-	17,441	17,441
Future drainage	-	-	-	-	122,687	122,687
Street lighting	-	-	-	-	193,989	193,989
Oak wilt	-	-	-	-	11,205	11,205
EDA	-	-	-	-	49,296	49,296
Lodging taxes	-	-	-	-	3,443	3,443
Total committed	\$ -	\$ -	\$ -	\$ -	\$ 588,625	\$ 588,625
Assigned to						
Capital projects	\$ -	\$ -	\$ 2,572,904	\$ 1,738,608	\$ -	\$ 4,311,512
Unassigned	\$ 3,972,866	\$ -	\$ -	\$ -	\$ -	\$ 3,972,866

**NOTE 8 – PENSION PLANS**

The City participates in various pension plans, total pension expense for the year ended December 31, 2022, was \$239,018. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the liability related to the pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

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

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

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 local relief associations that elected to merge with and transfer assets and administration to PERA.

**B. Benefits Provided**

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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

**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 6.5% of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$93,503. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$17,508. The City's contributions were equal to the required contributions as set by state statute.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$1,290,965 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 \$37,672.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0163% at the end of the measurement period and 0.0150% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 1,290,965
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>37,672</u>
Total	<u><u>\$ 1,328,637</u></u>

For the year ended December 31, 2022, the City recognized pension expense of \$207,215 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$5,629 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.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and Actual experience	\$ 10,782	\$ 12,547
Changes in actuarial assumptions	269,570	4,220
Net collective difference between projected and actual investment earnings	52,205	-
Changes in proportion	98,593	4,147
Contributions to GERP subsequent to the measurement date	<u>46,751</u>	<u>-</u>
Total	<u>\$ 477,901</u>	<u>\$ 20,914</u>

The \$46,751 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 149,736
2024	157,900
2025	(14,148)
2026	<u>116,748</u>
Total	<u>\$ 410,236</u>

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$326,370 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0075% at the end of the measurement period and 0.0031% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. 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 aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The State of Minnesota 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, (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, 2022, the City recognized pension expense of \$8,987 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$2,756 as pension expense (and 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 also recognized \$675 for the year ended December 31, 2022, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

At December 31, 2022, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ 15,462	\$ -
Changes in actuarial assumptions	152,186	1,702
Net collective difference between projected and actual investment earnings	49,473	-
Changes in proportion	53,449	63,261
Contributions to PEPFF subsequent to the measurement date	8,754	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 279,324</u>	<u>\$ 64,963</u>

The \$8,754 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Pension</u> <u>Expense</u> <u>Amount</u>
2023	\$ 34,938
2024	35,374
2025	34,545
2026	67,936
2027	32,814
	<u>                    </u>
Total	<u>\$ 205,607</u>



**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**E. Long-Term Expected Return on Investment**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term</u>
Domestic equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	<u>25.0</u>	5.90
Total	<u><u>100.0 %</u></u>	

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6%. 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% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees. The Police and Fire Plan benefit increase is fixed at 1% per year and that increase was used in the valuation. Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became 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 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%

Changes in Plan Provisions

- There have been no changes since the previous valuation.

**G. Discount Rate**

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5%. 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 positions of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**G. Discount Rate (Continued)**

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in the fiscal year ended June 30, 2061, projected benefit payments exceed the fund's projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69% (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.4% for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5% applied to all years of projected benefits through the point of asset depletion and 3.69% thereafter.

**H. Pension Liability Sensitivity**

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

	1% Decrease in Discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's proportionate share of the General Employees Fund net pension liability	\$ 2,039,147	\$ 1,290,965	\$ 677,341
	1% Decrease in Discount Rate (4.4%)	Current Discount Rate (4.4%)	1% Increase in Discount Rate (6.4%)
City's proportionate share of the Police and Fire Fund net pension liability	\$ 493,920	\$ 326,370	\$ 190,917

**I. Pension Plan Fiduciary Net Position**

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

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**I. Pension Plan Fiduciary Net Position (Continued)**

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

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.25%) of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City during fiscal year 2022 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 286	\$ 286	5%	5%	5%

**Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association**

**A. Plan Description**

All members of the Ham Lake Fire Department (the Department) are covered by a defined benefit plan administered by the Ham Lake Fire Relief Association (the Association). As of December 31, 2020, the plan covered 34 active firefighters and 12 vested terminated firefighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with *Minnesota Statute*, chapter 69.

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)**

**B. Benefits Provided**

A fire fighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full-service pension upon retirement. The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

**C. Contributions**

*Minnesota Statutes* Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$98,168 made by the State of Minnesota for the Relief Association.

**D. Net Pension Liability**

At December 31, 2022, the City reported a net pension asset of \$802,305 for the plan. The net pension asset was measured as of December 31, 2021. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by Hildi, Inc. applying an actuarial formula to specific census data certified by the Association as of December 31, 2021. The table on the following pages presents the changes in net pension liability (asset) during the year.

*Actuarial Assumptions*

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

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return 5.25%
- Salary increases of 2.50%

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)**

**D. Net Pension Liability (Continued)**

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the table below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	14.00%	0.84%
Fixed income	40.00	2.27
Equities	44.00	5.65
Other	<u>2.000</u>	4.40
Total	<u><u>100.00%</u></u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 5.25%. 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 municipal bond rate. The equivalent single rate is the discount rate.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)**

**E. Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance 1/1/21	\$ 1,720,949	\$ 2,497,529	\$ (776,580)
Changes for the year			
Service cost	54,219	-	54,219
Interest on pension liability	83,760	-	83,760
Assumption changes	-	-	-
Plan changes	212,599	-	212,599
Municipal contributions	-	-	-
Nonemployer contributions	-	112,258	(112,258)
Projected investment return	-	124,458	(124,458)
Asset (gain)/loss	-	146,142	(146,142)
Benefit payouts	(359,497)	(359,497)	-
Administrative expenses	-	(6,555)	6,555
Net changes	(8,919)	16,806	(25,725)
Balance end of year 12/31/21	\$ 1,712,030	\$ 2,514,335	\$ (802,305)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 5.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	City Proportionate Share of NPL		
	1% Decrease in Discount Rate (4.25%)	Current Discount Rate (5.25%)	1% Increase in Discount Rate (6.25%)
Net pension liability (asset)	\$ (775,571)	\$ (802,305)	\$ (828,020)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

**City of Ham Lake  
Notes to Basic Financial Statements**

**NOTE 8 – PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan – Volunteer Fire Fighter's Relief Association (Continued)**

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

For the year ended December 31, 2022, the City recognized pension expense of \$22,530. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 36,967
Changes in actuarial assumptions	4,126	-
Net collective difference between projected and actual earnings on Plan investments	-	248,369
Contributions to Plan subsequent to the measurement date	98,168	-
Total	\$ 102,294	\$ 285,336

The \$98,168 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Total
2023	\$ (83,350)
2024	(110,927)
2025	(57,707)
2026	(29,226)
Total	\$ (281,210)

**NOTE 9 – 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.



**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 9 – RISK MANAGEMENT (CONTINUED)**

The City purchases commercial insurance coverage with other cities in the state through the League of Minnesota Cities Insurance Trust (LMCIT), which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported but retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

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

The City's worker's compensation insurance policy establishes final premiums after a payroll audit is completed.

At December 31, 2022, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**NOTE 10 – CONDUIT DEBT**

***Anoka County Housing and Redevelopment Authority***

During 1996, the Anoka County HRA issued \$3,000,000 in Development Bonds, Series 1996B. The Bonds were issued for the purpose of financing the costs of acquisition, constructing, and equipping an approximately 49 unit senior housing development project.

The Series 1996B bonds are backed by the full faith and credit of the City in accordance with *Minnesota Statutes*, section 469.034, Subd. 2. As such, in the event revenues generated by the Anoka County HRA are insufficient to pay principal and interest on the Bonds when due, the City has agreed and pledged to levy taxes on all taxable property within the City.

During 1996, the City incurred expenditures in the amount of \$211,851 for the purchase of land and other development costs in accordance with the joint powers agreement between the City and the Anoka County HRA. At the time the Series 1996B Bonds are paid in full, should there be any funds remaining from the project revenues or land sale proceeds, such funds shall be divided equally between the Anoka County HRA and the City, after first reimbursing the City for those costs incurred for the aforementioned land purchase and development costs. Annual operating revenues in excess of debt service and other operating costs of the senior housing development shall be accumulated in an operating reserve in an amount not in excess of one year's debt service and operating costs. The operating revenues in excess of this reserve shall be distributed at the end of each bond year equally between the City and the Anoka County HRA.

**City of Ham Lake**  
**Notes to Basic Financial Statements**

**NOTE 10 – CONDUIT DEBT (CONTINUED)**

***Anoka County Housing and Redevelopment Authority (Continued)***

The Series 1996B bonds were refunded on September 29, 2008, when the \$2,770,000 Housing Development Revenue Bonds Series 2008A were issued. The Series 2008A bonds were refunded on February 22, 2018, when the \$1,470,000 Housing Development Revenues Bonds Series 2018A were issued. The outstanding balance as of December 31, 2022, was \$760,000. The refunded issuance matures on January 1, 2026.

***Davinci Academy of Arts and Science***

The City issued a taxable charter school lease revenue bond on May 18, 2016, to provide financial assistance to a charter school for the construction of and equipping of a new facility deemed to be in the public interest. As of December 31, 2022, aggregate principal amount payable of \$24,230,000 remains outstanding. The note is secured by the property financed and is payable solely from payment received on the underlying mortgage loan. Upon repayment of the note, ownership of the acquired facilities transfers to the charter school served by the note issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the note. Accordingly, the note is not reported as a liability in the accompanying financial statements.

***Parnassus Preparatory School***

The City issued a taxable charter school lease revenue bond on November 15, 2016, to provide financial assistance to a charter school for the construction of and equipping of a new facility deemed to be in the public interest. As of December 31, 2022, aggregate principal amount payable of \$24,920,000 remains outstanding. The note is secured by the property financed and is payable solely from payment received on the underlying mortgage loan. Upon repayment of the note, ownership of the acquired facilities transfers to the charter school served by the note issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the note. Accordingly, the note is not reported as a liability in the accompanying financial statements.

**NOTE 11 – GASB STANDARDS ISSUED AND NOT YET IMPLEMENTED**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending December 31, 2023.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Ham Lake**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**General Employees Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.0163%	\$ 1,290,965	\$ 37,672	\$ 1,328,637	\$ 1,218,173	106.0%	76.67%
2021	0.0150%	640,567	19,488	660,055	1,078,000	59.4%	87.00%
2020	0.0131%	785,405	24,212	809,617	931,947	84.3%	79.06%
2019	0.0134%	740,856	22,999	763,855	945,840	78.3%	80.23%
2018	0.0138%	765,567	25,195	790,762	930,560	82.3%	75.93%
2017	0.0135%	861,831	10,829	872,660	869,056	99.2%	75.90%
2016	0.0131%	1,063,655	13,922	1,077,577	815,298	130.5%	68.91%
2015	0.0131%	678,910	-	678,910	770,853	88.1%	78.19%

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

**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**Public Employees Police and Fire Retirement Fund**  
**Last Ten Years**

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.0075%	\$ 326,370	\$ 14,207	\$ 340,577	\$ 91,198	357.87%	70.53%
2021	0.0031%	23,650	1,096	24,746	37,147	63.67%	93.66%
2020	0.0004%	5,236	121	5,357	4,808	108.90%	87.19%
2019	0.0122%	128,234	N/A	128,234	125,622	102.08%	89.26%
2018	0.0118%	124,714	N/A	124,714	124,691	100.02%	88.84%
2017	0.0120%	162,014	N/A	162,014	118,849	136.32%	85.43%
2016	0.0110%	441,449	N/A	441,449	103,360	427.10%	63.88%
2015	0.0100%	113,623	N/A	113,623	92,208	123.22%	86.61%

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

**City of Ham Lake  
Schedule of City Contributions  
General Employees Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 93,503	\$ 93,503	\$ -	\$ 1,246,707	7.50%
2021	84,278	84,278	-	1,123,707	7.50%
2020	75,676	75,676	-	1,009,013	7.50%
2019	72,601	72,601	-	968,013	7.50%
2018	70,989	70,989	-	946,520	7.50%
2017	66,252	66,252	-	883,360	7.50%
2016	63,587	63,587	-	847,827	7.50%
2015	59,038	59,038	-	787,173	7.50%

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

**Schedule of City Contributions  
Public Employees Police and Fire Retirement Fund  
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 17,508	\$ 17,508	\$ -	\$ 98,915	17.70%
2021	19,098	19,098	-	107,898	17.70%
2020	-	-	-	-	17.70%
2019	11,366	11,366	-	67,056	16.95%
2018	20,500	20,500	-	126,543	16.20%
2017	19,902	19,902	-	122,852	16.20%
2016	18,070	18,070	-	111,543	16.20%
2015	15,527	15,527	-	95,846	16.20%

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

**City of Ham Lake**  
**Schedule of Changes in Net Pension Liability**  
**and Related Ratios - Ham Lake Firefighters' Benefit Association**

	Measurement Date			
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total pension liability (TPL)				
Service cost	\$ 54,219	\$ 55,011	\$ 53,669	\$ 50,757
Interest	83,760	95,476	92,172	80,470
Plan changes	212,599	58,565	-	165,033
Assumption changes	-	8,252	-	-
Investment (gain/loss)	-	(51,408)	-	(56,331)
Benefit payouts	(359,497)	(100,779)	(78,665)	-
Net change in total pension liability	(8,919)	65,117	67,176	239,929
Beginning of year	1,720,949	1,655,832	1,588,656	1,348,727
End of year	<u>\$ 1,712,030</u>	<u>\$ 1,720,949</u>	<u>\$ 1,655,832</u>	<u>\$ 1,588,656</u>
Plan fiduciary net pension (FNP)				
Projected investment earnings	\$ 124,458	\$ 127,881	\$ 108,983	\$ 111,110
Contributions	112,258	115,693	95,488	91,746
Assets (gain/loss)	146,142	142,390	212,159	(194,221)
Benefit payouts	(359,497)	(100,779)	(78,665)	-
Administrative expense	(6,555)	(8,444)	(8,235)	(8,119)
Net change in plan fiduciary net position	16,806	276,741	329,730	516
Beginning of year	2,497,529	2,220,788	1,891,058	1,890,542
End of year	<u>\$ 2,514,335</u>	<u>\$ 2,497,529</u>	<u>\$ 2,220,788</u>	<u>\$ 1,891,058</u>
Net pension liability (NPL)	<u>\$ (802,305)</u>	<u>\$ (776,580)</u>	<u>\$ (564,956)</u>	<u>\$ (302,402)</u>
Plan fiduciary net position as a percentage of the total pension liability	146.9%	145.1%	134.1%	119.0%

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

Measurement Date		
December 31, 2018	December 31, 2017	December 31, 2016
\$ 49,519	\$ 51,318	\$ 52,945
73,335	65,470	63,051
-	22,137	-
-	-	-
-	42,864	-
-	(86,411)	(164,091)
<u>122,854</u>	<u>95,378</u>	<u>(48,095)</u>
<u>1,225,873</u>	<u>1,130,495</u>	<u>1,178,590</u>
<u>\$ 1,348,727</u>	<u>\$ 1,225,873</u>	<u>\$ 1,130,495</u>
\$ 94,714	\$ 87,155	\$ 89,925
88,456	88,501	87,179
108,384	6,882	(93,086)
-	(86,411)	(164,091)
(7,953)	(7,378)	(8,221)
<u>283,601</u>	<u>88,749</u>	<u>(88,294)</u>
<u>1,606,941</u>	<u>1,518,192</u>	<u>1,606,486</u>
<u>\$ 1,890,542</u>	<u>\$ 1,606,941</u>	<u>\$ 1,518,192</u>
<u>\$ (541,815)</u>	<u>\$ (381,068)</u>	<u>\$ (387,697)</u>
140.2%	131.1%	141.2%



**City of Ham Lake**  
**Schedule of City and Non-Employer Entity Contributions -**  
**Ham Lake Firefighters' Benefit Association**

	Measurement Date			
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Employer				
Statutorily determined contribution (SDC)	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the SDC	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-employer				
2% state aid	<u>\$ 112,258</u>	<u>\$ 107,298</u>	<u>\$ 102,381</u>	<u>\$ 95,488</u>

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

Measurement Date

December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -
<u>\$ 91,746</u>	<u>\$ 88,456</u>	<u>\$ 88,501</u>	<u>\$ 88,187</u>

**City of Ham Lake**  
**Notes to Required Supplementary Information**

**General Employees Fund**

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- 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 and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**City of Ham Lake**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Plan Provisions

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

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2018 Changes**

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

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

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.

**City of Ham Lake**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- 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 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- 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; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**City of Ham Lake**  
**Notes to Required Supplementary Information**

**Police and Fire Fund**

**2022 Changes**

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes resulted 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 resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**City of Ham Lake**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Postretirement benefit increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning
- July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year 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% 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% to 60%.

**City of Ham Lake**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- 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% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2016 Changes**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

**Volunteer Fire Fighter's Relief Association**

**2022 Changes**

Changes in Actuarial Assumptions

- A benefit level increase from \$4,000 to \$4,500 was reflected in the active liability

**2021 Changes**

Changes in Actuarial Assumptions

- The long-term rate of return changed from 5.75% to 5.25%.
- The discount rate changed from 5.75% to 5.25%.



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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**NONMAJOR GOVERNMENTAL FUNDS**

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## **City of Ham Lake Fund Descriptions**

### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### **DEBT SERVICE FUNDS**

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal, and related costs on general long-term debt.

### **CAPITAL PROJECT FUND**

The Park and Beach Land Capital Project Fund is used to account for parkland dedication fees from developers when new plats are filed. The fees are restricted for the development of new parks and trails and replacing or refurbishing equipment in City parks.

**City of Ham Lake  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2022**

	Special Revenue	Capital Project	Debt Service		Total
		Park and Beach Land	2010 CIP Bond	2016A Circle Pines	
<b>Assets</b>					
Cash and investments	\$ 807,723	\$ 1,039,328	\$ 290,028	\$ 26	\$ 2,137,105
Accounts receivable	27,710	31,340	-	-	59,050
Accrued interest receivable	2,396	3,068	856	-	6,320
Special assessments receivable					
Delinquent	1,000	-	-	-	1,000
Deferred	64,912	-	-	-	64,912
Due from other governments	76,440	-	-	-	76,440
<b>Total assets</b>	<b>\$ 980,181</b>	<b>\$ 1,073,736</b>	<b>\$ 290,884</b>	<b>\$ 26</b>	<b>\$ 2,344,827</b>
<b>Liabilities</b>					
Accounts payable	\$ 102,096	\$ 39	\$ -	\$ -	\$ 102,135
Unearned revenue	5,400	-	-	-	5,400
<b>Total liabilities</b>	<b>107,496</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>107,535</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - special assessments	64,912	-	-	-	64,912
Unavailable revenue - other	-	31,340	-	-	31,340
<b>Total deferred inflows of resources</b>	<b>64,912</b>	<b>31,340</b>	<b>-</b>	<b>-</b>	<b>96,252</b>
<b>Fund Balances</b>					
Restricted	219,148	1,042,357	290,884	26	1,552,415
Committed	588,625	-	-	-	588,625
<b>Total fund balances</b>	<b>807,773</b>	<b>1,042,357</b>	<b>290,884</b>	<b>26</b>	<b>2,141,040</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 980,181</b>	<b>\$ 1,073,736</b>	<b>\$ 290,884</b>	<b>\$ 26</b>	<b>\$ 2,344,827</b>

**City of Ham Lake**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2022**

	Special Revenue	Capital Project	Debt Service		Total
		Park and Beach Land	2010 CIP Bond	2016A Circle Pines	
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 209,416	\$ -	\$ 209,416
Miscellaneous taxes	57,693	-	-	31,896	89,589
Special assessments					
Interest	85	-	-	-	85
Intergovernmental	86,174	-	-	-	86,174
Charges for services	104,906	-	-	-	104,906
Investment income	(1,184)	1,138	1,300	-	1,254
Other revenues	66,845	45,636	-	-	112,481
Total revenues	<u>314,519</u>	<u>46,774</u>	<u>210,716</u>	<u>31,896</u>	<u>603,905</u>
<b>Expenditures</b>					
Current					
General government	31,074	-	-	-	31,074
Public safety	25,000	-	-	-	25,000
Public works	153,385	-	-	-	153,385
Economic development	35,830	-	-	-	35,830
Debt service					
Principal	-	-	170,000	28,600	198,600
Interest and other charges	-	-	27,319	3,296	30,615
Capital outlay					
General government	186,816	-	-	-	186,816
Community development	68,100	-	-	-	68,100
Parks and recreation	-	16,251	-	-	16,251
Total expenditures	<u>500,205</u>	<u>16,251</u>	<u>197,319</u>	<u>31,896</u>	<u>745,671</u>
Excess of revenues over (under) expenditures	(185,686)	30,523	13,397	-	(141,766)
<b>Other Financing Sources (Uses)</b>					
Transfers in	89,000	-	-	-	89,000
Transfers out	(90,200)	-	-	-	(90,200)
Total other financing sources (uses)	<u>(1,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200)</u>
Net change in fund balances	(186,886)	30,523	13,397	-	(142,966)
<b>Fund Balances</b>					
Beginning of year	<u>994,659</u>	<u>1,011,834</u>	<u>277,487</u>	<u>26</u>	<u>2,284,006</u>
End of year	<u>\$ 807,773</u>	<u>\$ 1,042,357</u>	<u>\$ 290,884</u>	<u>\$ 26</u>	<u>\$ 2,141,040</u>



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## **City of Ham Lake Nonmajor Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. During the year, the City had the following Nonmajor Special Revenue Funds:

Cable Television - This fund receives franchise fees from the North Metro Telecommunications Commission which are committed for cable television-related expenditures.

The Ham Laker - This fund receives donations for the cost of publishing a newsletter, The Ham Laker.

Lawful Gambling - This fund receives mandatory contributions from lawful gambling sites within the City, to be used for public safety expenditures.

Future Drainage - This fund collects fees from developers for drainage-related items within the watershed district in which the lots are located.

Recycling Program - This fund receives revenues from SCORE grant funds which are restricted to recycling expenditures.

Street Lighting - The City pays the cost of electricity used by street lights and collects a fee from developers to cover this expenditure until homes are built and sold at which time homeowners begin to reimburse the City for the electricity.

Oak Wilt - This fund accounts for expenditures related to prevention and treatment of oak wilt and receives reimbursements from property owners.

EDA - The Ham Lake EDA is a blended component unit, and the fund balance is committed for the purpose of promoting economic development in Ham Lake.

Lodging Tax - The City receives lodging tax collected by the AmericInn and sends 95 percent of the amount collected to the Twin Cities Gateway, which promotes tourism in the area.

**City of Ham Lake  
Subcombining Balance Sheet -  
Nonmajor Special Revenue Funds  
December 31, 2022**

	Cable Television	Ham Laker	Lawful Gambling	Future Drainage
<b>Assets</b>				
Cash and investments	\$ 237,275	\$ 19,409	\$ 120,272	\$ 122,452
Accounts receivable	-	-	25,848	-
Accrued interest receivable	700	57	355	374
Special assessments receivable:				
Deferred	-	-	-	-
Due from other governments	27,950	-	-	-
	<u>265,925</u>	<u>19,466</u>	<u>146,475</u>	<u>122,826</u>
Total assets	<u>\$ 265,925</u>	<u>\$ 19,466</u>	<u>\$ 146,475</u>	<u>\$ 122,826</u>
<b>Liabilities</b>				
Accounts payable	75,361	-	-	139
Unearned revenue	-	2,025	-	-
Total liabilities	<u>75,361</u>	<u>2,025</u>	<u>-</u>	<u>139</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	-	-
<b>Fund Balances</b>				
Restricted	-	-	146,475	-
Committed	190,564	17,441	-	122,687
Total fund balances	<u>190,564</u>	<u>17,441</u>	<u>146,475</u>	<u>122,687</u>
	<u>\$ 265,925</u>	<u>\$ 19,466</u>	<u>\$ 146,475</u>	<u>\$ 122,826</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 265,925</u>	<u>\$ 19,466</u>	<u>\$ 146,475</u>	<u>\$ 122,826</u>

<u>Recycling</u>	<u>Street Light</u>	<u>Oak Wilt</u>	<u>EDA</u>	<u>Lodging Taxes</u>	<u>Total</u>
\$ 35,708	\$ 200,540	\$ 11,172	\$ 55,844	\$ 5,051	\$ 807,723
-	-	-	-	1,862	27,710
105	592	33	165	15	2,396
-	64,912	-	-	-	64,912
48,490	-	-	-	-	76,440
<u>\$ 84,303</u>	<u>\$ 267,044</u>	<u>\$ 11,205</u>	<u>\$ 56,009</u>	<u>\$ 6,928</u>	<u>\$ 980,181</u>
11,630	4,768	-	6,713	3,485	102,096
-	3,375	-	-	-	5,400
<u>11,630</u>	<u>8,143</u>	<u>-</u>	<u>6,713</u>	<u>3,485</u>	<u>107,496</u>
-	64,912	-	-	-	64,912
72,673	-	-	-	-	219,148
-	193,989	11,205	49,296	3,443	588,625
<u>72,673</u>	<u>193,989</u>	<u>11,205</u>	<u>49,296</u>	<u>3,443</u>	<u>807,773</u>
<u>\$ 84,303</u>	<u>\$ 267,044</u>	<u>\$ 11,205</u>	<u>\$ 56,009</u>	<u>\$ 6,928</u>	<u>\$ 980,181</u>

**City of Ham Lake**  
**Subcombining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2022**

	Cable Television	Ham Laker	Lawful Gambling	Future Drainage
<b>Revenues</b>				
Miscellaneous taxes	\$ 27,950	\$ -	\$ -	\$ -
Special assessments:				
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	2,700	-	9,428
Investment income	(1,150)	61	552	4
Other revenues	-	15,000	51,845	-
Total revenues	<u>26,800</u>	<u>17,761</u>	<u>52,397</u>	<u>9,432</u>
<b>Expenditures</b>				
Current				
General government	-	31,074	-	-
Public safety	-	-	25,000	-
Public works	-	-	-	9,301
Economic development	-	-	-	-
Capital outlay				
General government	186,816	-	-	-
Community development	-	-	-	-
Total expenditures	<u>186,816</u>	<u>31,074</u>	<u>25,000</u>	<u>9,301</u>
Excess of revenues over (under) expenditures	(160,016)	(13,313)	27,397	131
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	89,000	-	-
Transfers out	(89,000)	-	-	-
Total other financing sources (uses)	<u>(89,000)</u>	<u>89,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(249,016)	75,687	27,397	131
<b>Fund Balances</b>				
Beginning of year	<u>439,580</u>	<u>(58,246)</u>	<u>119,078</u>	<u>122,556</u>
End of year	<u>\$ 190,564</u>	<u>\$ 17,441</u>	<u>\$ 146,475</u>	<u>\$ 122,687</u>

<u>Recycling</u>	<u>Street Light</u>	<u>Oak Wilt</u>	<u>EDA</u>	<u>Lodging Taxes</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 29,743	\$ 57,693
-	85	-	-	-	85
86,174	-	-	-	-	86,174
2,064	90,714	-	-	-	104,906
(309)	278	(3)	(616)	(1)	(1,184)
-	-	-	-	-	66,845
<u>87,929</u>	<u>91,077</u>	<u>(3)</u>	<u>(616)</u>	<u>29,742</u>	<u>314,519</u>
-	-	-	-	-	31,074
-	-	-	-	-	25,000
86,196	57,747	141	-	-	153,385
-	-	-	7,574	28,256	35,830
-	-	-	-	-	186,816
-	-	-	68,100	-	68,100
<u>86,196</u>	<u>57,747</u>	<u>141</u>	<u>75,674</u>	<u>28,256</u>	<u>500,205</u>
1,733	33,330	(144)	(76,290)	1,486	(185,686)
-	-	-	-	-	89,000
-	-	-	-	(1,200)	(90,200)
-	-	-	-	(1,200)	(1,200)
1,733	33,330	(144)	(76,290)	286	(186,886)
70,940	160,659	11,349	125,586	3,157	994,659
<u>\$ 72,673</u>	<u>\$ 193,989</u>	<u>\$ 11,205</u>	<u>\$ 49,296</u>	<u>\$ 3,443</u>	<u>\$ 807,773</u>

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Cable Television**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Miscellaneous taxes	\$ 55,000	\$ 27,950	\$ (27,050)
Investment income	2,500	(1,150)	(3,650)
Total revenues	57,500	26,800	(30,700)
<b>Expenditures</b>			
General government - current			
Materials and supplies	500	-	(500)
Capital outlay	-	186,816	186,816
Total expenditures	500	186,816	186,316
Excess of revenues over (under) expenditures	\$ 57,000	(160,016)	\$ (217,016)
<b>Fund Balance</b>			
Beginning of year		439,580	
End of year		\$ 190,564	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Ham Laker**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Charges for services	\$ 3,000	\$ 2,700	\$ (300)
Investment income	-	61	61
Other revenues	1,000	15,000	14,000
Total revenues	<u>4,000</u>	<u>17,761</u>	<u>13,761</u>
<b>Expenditures</b>			
General government - current			
Other services and charges	<u>33,500</u>	<u>31,074</u>	<u>(2,426)</u>
Excess of revenues over (under) expenditures	(29,500)	(13,313)	16,187
<b>Other Financing Sources</b>			
Transfers in	<u>14,050</u>	<u>89,000</u>	<u>74,950</u>
Net change in fund balance	<u>\$ (15,450)</u>	75,687	<u>\$ 16,187</u>
<b>Fund Balance</b>			
Beginning of year		<u>(58,246)</u>	
End of year		<u>\$ 17,441</u>	



**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Lawful Gambling**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Investment income	\$ -	\$ 552	\$ 552
Other	25,000	51,845	26,845
Total revenues	25,000	52,397	27,397
<b>Expenditures</b>			
Public safety - current			
Other services and charges	25,000	25,000	-
Excess of revenues over (under) expenditures	-	27,397	27,397
<b>Other Financing Sources (Uses)</b>			
Transfers to other funds	(14,050)	-	14,050
Net change in fund balance	\$ (14,050)	27,397	\$ 41,447
<b>Fund Balance</b>			
Beginning of year		119,078	
End of year		\$ 146,475	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Future Drainage**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Charges for services	\$ 10,000	\$ 9,428	\$ (572)
Investment income	500	4	(496)
Total revenues	10,500	9,432	(1,068)
<b>Expenditures</b>			
Public works - current			
Other services and charges	51,000	9,301	(41,699)
Excess of revenues over (under) expenditures	\$ (40,500)	131	\$ 40,631
<b>Fund Balance</b>			
Beginning of year		122,556	
End of year		\$ 122,687	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Recycling**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Intergovernmental revenues	\$ 85,000	\$ 86,174	\$ 1,174
Charges for services	1,000	2,064	1,064
Investment income	50	(309)	(359)
Total revenues	<u>86,050</u>	<u>87,929</u>	<u>1,879</u>
<b>Expenditures</b>			
Public works - current			
Other services and charges	<u>90,550</u>	<u>86,196</u>	<u>(4,354)</u>
Excess of revenues over (under) expenditures	<u>\$ (4,500)</u>	<u>1,733</u>	<u>\$ 6,233</u>
<b>Fund Balance</b>			
Beginning of year		<u>70,940</u>	
End of year		<u>\$ 72,673</u>	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Street Light**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Special assessments:			
Interest	\$ -	\$ 85	\$ 85
Charges for services	66,000	90,714	24,714
Investment income	100	278	178
Total revenues	66,100	91,077	24,892
<b>Expenditures</b>			
Public works - current			
Other services and charges	58,000	57,747	(253)
Excess of revenues over expenditures	\$ 8,100	33,330	\$ 25,145
<b>Fund Balance</b>			
Beginning of year		160,659	
End of year		\$ 193,989	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Oak Wilt**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Investment income	\$ 50	\$ (3)	\$ (53)
<b>Expenditures</b>			
Public works - current			
Other services and charges	250	141	(109)
Excess of revenues over (under) expenditures	\$ (200)	(144)	\$ 56
<b>Fund Balance</b>			
Beginning of year		11,349	
End of year		\$ 11,205	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - EDA**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Investment income	\$ 700	\$ (616)	\$ (1,316)
<b>Expenditures</b>			
Economic development - current			
Other services and charges	1,000	7,574	6,574
Professional fees capital outlay	-	68,100	68,100
Total expenditures	1,000	75,674	74,674
Excess of revenues under expenditures	\$ (300)	(76,290)	\$ (75,990)
<b>Fund Balance</b>			
Beginning of year		125,586	
End of year		\$ 49,296	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Special Revenue Fund - Lodging Taxes**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Miscellaneous taxes	\$ 27,000	\$ 29,743	\$ 2,743
Investment income	-	(1)	(1)
Total revenues	<u>27,000</u>	<u>29,742</u>	<u>2,742</u>
<b>Expenditures</b>			
Economic development - current			
Other services and charges	<u>25,500</u>	<u>28,256</u>	<u>2,756</u>
Excess of revenues over (under) expenditures	1,500	1,486	(14)
<b>Other Financing Uses</b>			
Transfers out	<u>(1,350)</u>	<u>(1,200)</u>	<u>150</u>
Net change in fund balance	<u>\$ 150</u>	<u>286</u>	<u>\$ 136</u>
<b>Fund Balance</b>			
Beginning of year		<u>3,157</u>	
End of year		<u>\$ 3,443</u>	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Debt Service Fund - 2010 CIP Bonds**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
General property taxes	\$ 210,916	\$ 209,416	\$ (1,500)
Investment income	500	1,300	800
Total revenues	211,416	210,716	(700)
<b>Expenditures</b>			
Debt Service			
Principal	170,000	170,000	-
Interest and service charges	28,369	27,319	(1,050)
Total expenditures	198,369	197,319	(1,050)
Excess of revenues over expenditures	\$ 13,047	13,397	\$ 350
<b>Fund Balance</b>			
Beginning of year		277,487	
End of year		\$ 290,884	



**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Debt Service Fund - 2016A Circle Pines**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Miscellaneous taxes	\$ 31,896	\$ 31,896	\$ -
<b>Expenditures</b>			
Debt service			
Principal	28,600	28,600	-
Interest and service charges	3,296	3,296	-
Total expenditures	31,896	31,896	-
Excess of revenues over (under) expenditures	\$ -	-	\$ -
<b>Fund Balance</b>			
Beginning of year		26	
End of year		\$ 26	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Capital Project Fund - Park and Beach Land**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Investment income	\$ 8,500	\$ 1,138	\$ (7,362)
Other revenues	70,000	45,636	(24,364)
Total revenues	78,500	46,774	(31,726)
Expenditures			
Park and recreation - current			
Materials and supplies	15,000	-	(15,000)
Other services and charges	15,000	-	(15,000)
Park and recreation - capital outlay	20,000	16,251	(3,749)
Total expenditures	50,000	16,251	(33,749)
Excess of revenues over (under) expenditures	\$ 28,500	30,523	\$ 2,023
<b>Fund Balance</b>			
Beginning of year		1,011,834	
End of year		\$ 1,042,357	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Capital Project Fund - Equipment and Building**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Investment income	\$ 12,000	\$ 1,518	\$ (10,482)
<b>Expenditures</b>			
General government			
Capital outlay	105,800	6,094	(99,706)
Public safety			
Materials and supplies	15,000	6,120	(8,880)
Capital outlay	2,681,000	65,192	(2,615,808)
Total public safety	2,696,000	71,312	(2,624,688)
Public works			
Capital outlay	325,000	-	(325,000)
Park and recreation			
Capital outlay	45,000	-	(45,000)
Total expenditures	3,171,800	77,406	(3,094,394)
Excess of revenues over (under) expenditures	(3,159,800)	(75,888)	3,083,912
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	36,000	-	(36,000)
Transfers in	446,000	446,500	500
Total other financing sources (uses)	482,000	446,500	(35,500)
Net change in fund balance	\$ (2,677,800)	370,612	\$ 3,048,412
<b>Fund Balance</b>			
Beginning of year		2,202,292	
End of year		\$ 2,572,904	

**City of Ham Lake**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget (Original and Final) and Actual -**  
**Capital Project Fund - Revolving Street**  
**Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Special assessments	\$ 74,000	\$ 72,240	\$ (1,760)
Intergovernmental revenues			
State aids	250,000	1,160,709	910,709
Investment income	10,000	5,368	(4,632)
Other revenues	-	4,015	4,015
Total revenues	334,000	1,242,332	908,332
<b>Expenditures</b>			
Public works			
Other services and charges	200	3,687	3,487
Capital outlay	2,592,822	1,329,584	(1,263,238)
Total expenditures	2,593,022	1,333,271	(1,259,751)
Excess of revenues over (under) expenditures	(2,259,022)	(90,939)	2,168,083
<b>Other Financing Sources</b>			
Transfers in	900,000	900,000	-
Net change in fund balance	\$ (1,359,022)	809,061	\$ 2,168,083
<b>Fund Balance</b>			
Beginning of year		929,547	
End of year		\$ 1,738,608	

**City of Ham Lake  
Schedule of Revenues -  
Budget (Original and Final) and Actual - General Fund  
Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance With Final Budget - Over (under)
<b>Revenues</b>			
General property taxes	\$ 5,418,693	\$ 5,376,363	\$ (42,330)
Licenses and permits	548,600	570,567	21,967
Intergovernmental revenues			
State grants and aids	3,500	5,051	1,551
State - fire aid	100,000	139,032	39,032
State-MSA-street maintenance	44,000	45,165	1,165
Federal grants and aids	-	383,555	383,555
Local grants and aids	3,500	5,945	2,445
Total intergovernmental revenues	<u>151,000</u>	<u>578,748</u>	<u>427,748</u>
Charges for services			
Community development	25	17	(8)
General government	140,300	219,766	79,466
Parks and recreation	2,200	3,725	1,525
Total charges for services	<u>142,525</u>	<u>223,508</u>	<u>80,983</u>
Fines and forfeitures	30,000	32,056	2,056
Investment income	1,000	29,664	28,664
Contributions and donations	9,500	14,000	4,500
Other revenues	1,000	36,698	35,698
Total miscellaneous	<u>11,500</u>	<u>80,362</u>	<u>68,862</u>
Total revenues	<u>6,302,318</u>	<u>6,861,604</u>	<u>559,286</u>
<b>Other Financing Sources</b>			
Proceeds from sale of capital assets	-	185	185
Transfers in	1,200	1,200	-
Total other financing sources	<u>1,200</u>	<u>1,385</u>	<u>185</u>
Total revenues and other financing sources	<u>\$ 6,303,518</u>	<u>\$ 6,862,989</u>	<u>\$ 559,471</u>

**City of Ham Lake  
Schedule of Expenditures -  
Budget (Original and Final) and Actual - General Fund  
Year Ended December 31, 2022**

	Original and Final Budget	Actual Amounts	Variance With Final Budget - Over (under)
<b>Expenditures</b>			
General government			
Mayor and council			
Personal services	\$ 28,220	\$ 25,782	\$ (2,438)
Other services and charges	53,859	66,574	12,715
Total mayor and council	<u>82,079</u>	<u>92,356</u>	<u>10,277</u>
Administration			
Personal services	160,060	161,167	1,107
Materials and supplies	520	354	(166)
Other services and charges	861	538	(323)
Total administration/elections	<u>161,441</u>	<u>162,059</u>	<u>618</u>
City clerk			
Personal services	136,640	148,435	11,795
Materials and supplies	4,220	1,331	(2,889)
Other services and charges	6,187	4,278	(1,909)
Total information technology	<u>147,047</u>	<u>154,044</u>	<u>6,997</u>
Finance			
Personal services	214,580	213,891	(689)
Materials and supplies	1,639	1,620	(19)
Other services and charges	129,224	129,181	(43)
Total finance	<u>345,443</u>	<u>344,692</u>	<u>(751)</u>
Prosecutions			
Other services and charges	78,000	78,000	-
Municipal buildings			
Materials and supplies	1,000	1,005	5
Other services and charges	37,075	41,376	4,301
Total municipal buildings	<u>38,075</u>	<u>42,381</u>	<u>4,306</u>
Planning and zoning			
Personal services	83,860	66,410	(17,450)
Supplies, repairs and maintenance	820	422	(398)
Other services and charges	9,466	16,622	7,156
Total planning and zoning	<u>94,146</u>	<u>83,454</u>	<u>(10,692)</u>

**City of Ham Lake  
Schedule of Expenditures -  
Budget (Original and Final) and Actual - General Fund  
Year Ended December 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget - Over (under)</u>
<b>Expenditures</b>			
General government (Continued)			
Other general government			
Personal services	\$ 6,200	\$ 7,960	\$ 1,760
Supplies, repairs and maintenance	116,211	501,763	385,552
Capital outlay	10,990	3,345	(7,645)
Total other general government	<u>133,401</u>	<u>513,068</u>	<u>379,667</u>
Total general government	<u>1,079,632</u>	<u>1,470,054</u>	<u>390,422</u>
Public safety			
Police			
Other services and charges	<u>1,276,917</u>	<u>1,217,110</u>	<u>(59,807)</u>
Fire			
Personal services	394,635	390,108	(4,527)
Materials and supplies	43,940	53,270	9,330
Other services and charges	237,260	261,807	24,547
Total fire	<u>675,835</u>	<u>705,185</u>	<u>29,350</u>
Sirens			
Other services and charges	<u>9,187</u>	<u>8,206</u>	<u>(981)</u>
Building inspections			
Personal services	388,010	378,784	(9,226)
Materials and supplies	8,109	7,201	(908)
Other services and charges	32,779	28,077	(4,702)
Total building inspections	<u>428,898</u>	<u>414,062</u>	<u>(14,836)</u>
Animal control			
Materials and supplies	150	-	(150)
Other services and charges	3,000	4,386	1,386
Total animal control	<u>3,150</u>	<u>4,386</u>	<u>1,236</u>
Other public safety			
Capital outlay	47,000	22,587	(24,413)
Total public safety	<u>2,440,987</u>	<u>2,371,536</u>	<u>(69,451)</u>
Public works			
Snow and Ice Removal			
Personal services	6,190	65,538	59,348
Materials and supplies	79,000	49,916	(29,084)
Other services and charges	1,000	331	(669)
Total engineering	<u>86,190</u>	<u>115,785</u>	<u>29,595</u>

**City of Ham Lake  
Schedule of Expenditures -  
Budget (Original and Final) and Actual - General Fund  
Year Ended December 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget - Over (under)</u>
<b>Expenditures</b>			
Public works (Continued)			
Streets/Highways			
Personal services	\$ 522,590	\$ 515,945	\$ (6,645)
Materials and supplies	135,400	102,687	(32,713)
Other services and charges	269,592	230,955	(38,637)
Total streets	<u>927,582</u>	<u>849,587</u>	<u>(77,995)</u>
Storm Drainage			
Personal services	660	1,897	1,237
Other services and charges	16,090	30,532	14,442
Total central garage	<u>16,750</u>	<u>35,770</u>	<u>19,020</u>
Buildings			
Materials and supplies	3,000	2,938	(62)
Other services and charges	33,730	36,072	2,342
Total street lighting	<u>36,730</u>	<u>39,010</u>	<u>2,280</u>
Signals and Signs			
Materials and supplies	7,000	4,624	(2,376)
Other services and charges	14,000	13,355	(645)
Total public works administration	<u>21,000</u>	<u>17,979</u>	<u>(3,021)</u>
General			
Capital outlay	<u>23,000</u>	<u>4,957</u>	<u>(18,043)</u>
Total public works	<u>1,111,252</u>	<u>1,063,088</u>	<u>(48,164)</u>
Parks and recreation			
Parks			
Personal services	182,270	105,222	(77,048)
Materials and supplies	29,050	23,098	(5,952)
Other services and charges	74,409	49,137	(25,272)
Total parks	<u>285,729</u>	<u>177,457</u>	<u>(108,272)</u>
Senior Center			
Materials and supplies	2,500	984	(1,516)
Other services and charges	18,418	14,692	(3,726)
Total senior center	<u>20,918</u>	<u>15,676</u>	<u>(5,242)</u>



**City of Ham Lake  
Schedule of Expenditures -  
Budget (Original and Final) and Actual - General Fund  
Year Ended December 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget - Over (under)</u>
<b>Expenditures</b>			
General			
Capital outlay	\$ 18,500	\$ 12,210	\$ (6,290)
Total parks and recreation	325,147	205,343	(119,804)
Total expenditures	4,957,018	5,110,021	153,003
<b>Other Financing Uses</b>			
Transfers out	1,346,500	1,346,500	-
Total expenditures and other financing uses	<u>\$ 6,303,518</u>	<u>\$ 6,456,521</u>	<u>\$ 153,003</u>

**STATISTICAL SECTION**

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**City of Ham Lake  
Statistical Section (Unaudited)**

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

- Table 1 – Net Position by Component
- Table 2 – Changes in Net Position
- Table 3 – Fund Balances of Governmental Funds
- Table 4 – Changes in Fund Balances of Governmental Funds

**Revenue Capacity**

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

- Table 5 – Governmental Activities Tax Revenues by Source
- Table 6 – Assessed Value and Estimated Actual Value of Taxable Property
- Table 7 – Property Tax Rates – Direct and Overlapping Governments
- Table 8 – Principal Property Taxpayers
- Table 9 – Property Tax Levies and Collections

**Debt Capacity**

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

- Table 10 – Ratios of Outstanding Debt by Type
- Table 11 - Ratios of Net General Bonded Debt Outstanding
- Table 12 - Direct and Overlapping Governmental Activities Debt
- Table 13 - Legal Debt Margin Information

**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.*

- Table 14 - Demographic and Economic Statistics
- Table 15 – Principal Employers
- Table 16 - Full-time Equivalent City Employees by Function/Program
- Table 17 – Operating Indicators by Function/Program
- Table 18 – Capital Assets by Function/Program

**City of Ham Lake  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

	Fiscal Years				
	2013	2014	2015	2016	2017
Governmental Activities					
Net Investment in Capital Assets	\$ 29,346,539	\$ 30,241,995	\$ 32,409,825	\$ 37,949,507	\$ 42,831,337
Restricted	1,076,850	1,241,094	1,219,172	1,166,118	1,211,151
Unrestricted	7,274,638	7,300,464	7,079,118	7,353,598	7,331,021
Total Governmental Activities Net Position	<u>\$ 37,698,027</u>	<u>\$ 38,783,553</u>	<u>\$ 40,708,115</u>	<u>\$ 46,469,223</u>	<u>\$ 51,373,509</u>
Primary Government					
Net Investment in Capital Assets	\$ 29,346,539	\$ 30,241,995	\$ 32,409,825	\$ 37,949,507	\$ 42,831,337
Restricted	1,076,850	1,241,094	1,219,172	1,166,118	1,211,151
Unrestricted	7,274,638	7,300,464	7,079,118	7,353,598	7,331,021
Total Primary Government Net Position	<u>\$ 37,698,027</u>	<u>\$ 38,783,553</u>	<u>\$ 40,708,115</u>	<u>\$ 46,469,223</u>	<u>\$ 51,373,509</u>

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

**Table 1**

Fiscal Years				
2018	2019	2020	2021	2022
\$ 48,729,077	\$ 50,532,968	\$ 55,774,236	\$ 62,797,147	\$ 70,456,150
1,455,104	1,356,587	283,164	1,466,322	1,541,736
8,001,777	7,703,332	9,001,995	8,434,770	9,675,617
<u>\$ 58,185,958</u>	<u>\$ 59,592,887</u>	<u>\$ 65,059,395</u>	<u>\$ 72,698,239</u>	<u>\$ 81,673,503</u>
\$ 48,729,077	\$ 50,532,968	\$ 55,774,236	\$ 62,797,147	\$ 70,456,150
1,455,104	1,356,587	283,164	1,466,322	1,541,736
8,001,777	7,703,332	9,001,995	8,434,770	9,675,617
<u>\$ 58,185,958</u>	<u>\$ 59,592,887</u>	<u>\$ 65,059,395</u>	<u>\$ 72,698,239</u>	<u>\$ 81,673,503</u>

**City of Ham Lake**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Years				
	2013	2014	2015	2016	2017
<b>Expenses</b>					
Governmental Activities					
General Government	\$ 1,022,419	\$ 1,038,364	\$ 978,205	\$ 1,296,309	\$ 1,071,243
Public Safety	1,763,296	1,773,570	1,817,661	1,838,033	1,997,171
Public Works	2,494,886	2,461,671	2,633,383	2,563,453	2,834,411
Parks and Recreation	380,314	360,469	374,152	360,511	328,357
Economic Development	47,580	50,458	43,474	54,332	39,585
Interest on Long-Term Debt	61,918	59,749	60,138	64,936	55,943
Total Governmental Activities Expenses	<u>5,770,413</u>	<u>5,744,281</u>	<u>5,907,013</u>	<u>6,177,574</u>	<u>6,326,710</u>
Business-Type Activities Expense	-	-	-	-	-
Total Primary Government Expenses	<u>\$ 5,770,413</u>	<u>\$ 5,744,281</u>	<u>\$ 5,907,013</u>	<u>\$ 6,177,574</u>	<u>\$ 6,326,710</u>
<b>Program Revenues</b>					
Governmental Activities					
Charges for Services					
General Government	\$ 181,389	\$ 169,352	\$ 186,880	\$ 407,553	\$ 183,588
Public Safety	415,010	413,589	451,912	466,911	562,575
Public Works	69,762	106,667	75,208	75,756	118,938
Parks and Recreation	2,755	3,640	4,185	4,688	3,920
Economic Development	3,900	2,700	2,700	2,300	-
Operating Grants and Contributions	255,326	387,731	410,439	469,360	479,229
Capital Grants and Contributions	1,649,972	1,402,801	2,622,824	5,819,352	4,995,492
Total Governmental Activities Program Revenues	<u>2,578,114</u>	<u>2,486,480</u>	<u>3,754,148</u>	<u>7,245,920</u>	<u>6,343,742</u>
Business-Type Activities Program Revenues	-	-	-	-	-
Total Primary Government Program Revenues	<u>\$ 2,578,114</u>	<u>\$ 2,486,480</u>	<u>\$ 3,754,148</u>	<u>\$ 7,245,920</u>	<u>\$ 6,343,742</u>
<b>Net Revenue (Expense)</b>					
Governmental Activities	\$ (3,192,299)	\$ (3,257,801)	\$ (2,152,865)	\$ 1,068,346	\$ 17,032
Business-Type Activities	-	-	-	-	-
Total Primary Government Net Revenue (Expense)	<u>\$ (3,192,299)</u>	<u>\$ (3,257,801)</u>	<u>\$ (2,152,865)</u>	<u>\$ 1,068,346</u>	<u>\$ 17,032</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property Taxes	\$ 4,088,818	\$ 4,214,730	\$ 4,339,569	\$ 4,475,867	\$ 4,588,120
Lodging Taxes	19,975	22,747	24,261	25,861	28,630
Franchise Taxes	44,301	44,601	44,666	84,085	95,707
Grants and contributions-unrestricted	14,275	11,101	24,492	34,490	50,466
Investment Earnings	49,324	50,148	44,697	55,827	84,331
Gain on Sale of Assets	24,513	-	31,416	16,632	40,000
Total Governmental Activities	<u>4,241,206</u>	<u>4,343,327</u>	<u>4,509,101</u>	<u>4,692,762</u>	<u>4,887,254</u>
Business-Type Activities	-	-	-	-	-
Total Primary Government	<u>\$ 4,241,206</u>	<u>\$ 4,343,327</u>	<u>\$ 4,509,101</u>	<u>\$ 4,692,762</u>	<u>\$ 4,887,254</u>
Change in Net Position					
Governmental Activities	\$ 1,048,907	\$ 1,085,526	\$ 2,356,236	\$ 5,761,108	\$ 4,904,286
Business-Type Activities	-	-	-	-	-
Total Primary Government	<u>\$ 1,048,907</u>	<u>\$ 1,085,526</u>	<u>\$ 2,356,236</u>	<u>\$ 5,761,108</u>	<u>\$ 4,904,286</u>

Table 2

		Fiscal Years							
		2018	2019	2020	2021	2022			
\$	1,076,611	\$	1,097,861	\$	2,237,751	\$	1,129,663	\$	1,739,042
	2,077,218		2,360,690		2,165,372		2,228,626		2,460,873
	2,120,457		2,640,900		2,453,992		2,149,396		2,861,565
	372,050		53,570		38,695		70,709		356,448
	73,631		325,941		466,934		382,414		103,930
	52,661		45,644		43,402		34,915		28,251
	<u>5,772,628</u>		<u>6,524,606</u>		<u>7,406,146</u>		<u>5,995,723</u>		<u>7,550,109</u>
	-		-		-		-		-
\$	<u>5,772,628</u>	\$	<u>6,524,606</u>	\$	<u>7,406,146</u>	\$	<u>5,995,723</u>	\$	<u>7,550,109</u>
\$	165,382	\$	240,148	\$	278,741	\$	326,571	\$	384,465
	539,871		505,979		583,237		607,248		569,768
	89,280		81,249		136,900		123,013		106,238
	4,645		4,495		1,300		3,225		3,725
	-		-		-		-		-
	503,029		349,993		290,673		363,997		351,216
	6,168,994		1,349,538		4,938,644		6,801,898		8,881,320
	<u>7,471,201</u>		<u>2,531,402</u>		<u>6,229,495</u>		<u>8,225,952</u>		<u>10,296,732</u>
	-		-		-		-		-
\$	<u>7,471,201</u>	\$	<u>2,531,402</u>	\$	<u>6,229,495</u>	\$	<u>8,225,952</u>	\$	<u>10,296,732</u>
\$	1,698,573	\$	(3,993,204)	\$	(1,176,651)	\$	2,230,229	\$	2,746,623
	-		-		-		-		-
\$	<u>1,698,573</u>	\$	<u>(3,993,204)</u>	\$	<u>(1,176,651)</u>	\$	<u>2,230,229</u>	\$	<u>2,746,623</u>
\$	4,827,583	\$	4,929,333	\$	5,069,275	\$	5,228,297	\$	5,696,533
	30,988		31,162		24,048		28,733		29,743
	85,872		86,510		86,984		62,821		59,846
	34,069		19,371		1,299,337		9,423		401,530
	126,890		220,336		139,105		(3,841)		37,804
	8,474		113,421		24,410		83,182		185
	<u>5,113,876</u>		<u>5,400,133</u>		<u>6,643,159</u>		<u>5,408,615</u>		<u>6,225,641</u>
	-		-		-		-		-
\$	<u>5,113,876</u>	\$	<u>5,400,133</u>	\$	<u>6,643,159</u>	\$	<u>5,408,615</u>	\$	<u>6,225,641</u>
\$	6,812,449	\$	1,406,929	\$	5,466,508	\$	7,638,844	\$	8,972,264
	-		-		-		-		-
\$	<u>6,812,449</u>	\$	<u>1,406,929</u>	\$	<u>5,466,508</u>	\$	<u>7,638,844</u>	\$	<u>8,972,264</u>



**City of Ham Lake**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Years				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable					
Prepaid expense	\$ 32,057	\$ 44,757	\$ 45,365	\$ 50,917	\$ 45,290
Assigned	31,491	47,367	-	-	-
Unassigned	2,823,354	2,865,127	3,006,918	3,006,179	3,050,921
Reserved	n/a	n/a	n/a	n/a	n/a
Unreserved	n/a	n/a	n/a	n/a	n/a
Total General Fund	<u>\$ 2,886,902</u>	<u>\$ 2,957,251</u>	<u>\$ 3,052,283</u>	<u>\$ 3,057,096</u>	<u>\$ 3,096,211</u>
All Other Governmental Funds					
Nonspendable					
Prepaid expense	\$ 1,115	\$ 1,142	\$ 1,155	\$ 1,146	\$ 1,143
Restricted	1,072,022	1,202,734	1,185,768	1,291,274	1,351,380
Committed	873,994	927,343	869,221	849,510	781,100
Assigned	3,487,666	3,453,919	3,528,133	3,957,196	4,005,246
Unassigned	-	-	-	-	-
Reserved	n/a	n/a	n/a	n/a	n/a
Unreserved, reported in					
Special Revenue Funds	n/a	n/a	n/a	n/a	n/a
Debt Service	n/a	n/a	n/a	n/a	n/a
Capital Project Funds	n/a	n/a	n/a	n/a	n/a
Total all Other Governmental Funds	<u>\$ 5,434,797</u>	<u>\$ 5,585,138</u>	<u>\$ 5,584,277</u>	<u>\$ 6,099,126</u>	<u>\$ 6,138,869</u>
Total Fund Balance	<u>\$ 8,321,699</u>	<u>\$ 8,542,389</u>	<u>\$ 8,636,560</u>	<u>\$ 9,156,222</u>	<u>\$ 9,235,080</u>

Notes: Governmental funds report the difference between their assets and their liabilities as fund balance.  
Details regarding the City's fund balances are presented in Note 7 of the financial statements.

**Table 3**

Fiscal Years				
2018	2019	2020	2021	2022
\$ 44,922	\$ 68,574	\$ 69,773	\$ 83,001	\$ 88,907
-	-	-	-	-
3,215,413	3,161,707	3,749,117	3,572,304	3,972,866
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
<u>\$ 3,260,335</u>	<u>\$ 3,230,281</u>	<u>\$ 3,818,890</u>	<u>\$ 3,655,305</u>	<u>\$ 4,061,773</u>
\$ 961	\$ 1,003	\$ 1,014	\$ 1,114	\$ -
1,474,839	1,517,883	1,545,039	1,479,365	1,552,415
699,455	824,650	865,641	862,887	588,625
4,403,479	3,621,067	3,104,923	3,131,839	4,311,512
(350)	(16,850)	(42,685)	(59,360)	-
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
<u>\$ 6,578,384</u>	<u>\$ 5,947,753</u>	<u>\$ 5,473,932</u>	<u>\$ 5,415,845</u>	<u>\$ 6,452,552</u>
<u>\$ 9,838,719</u>	<u>\$ 9,178,034</u>	<u>\$ 9,292,822</u>	<u>\$ 9,071,150</u>	<u>\$ 10,514,325</u>

**City of Ham Lake**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Years			
	2013	2014	2015	2016
<b>Revenues</b>				
Taxes	\$ 4,184,113	\$ 4,307,977	\$ 4,401,323	\$ 4,599,670
Licenses and Permits	398,219	400,347	435,144	457,826
Intergovernmental	541,193	550,132	1,440,450	2,815,602
Charges for Services	189,811	230,245	202,745	406,357
Fines and Forfeitures	54,296	46,132	51,618	42,585
Special Assessments	27,845	20,545	10,195	8,110
Interest on Investments	49,324	50,148	44,697	55,827
Miscellaneous	135,472	137,909	131,628	191,025
Total Revenues	<u>5,580,273</u>	<u>5,743,435</u>	<u>6,717,800</u>	<u>8,577,002</u>
<b>Expenditures</b>				
General Government	952,996	943,403	964,196	926,774
Public Safety	1,628,938	1,651,913	1,684,350	1,715,838
Public Works	1,038,625	977,738	1,044,789	983,250
Parks and Recreation	265,830	256,943	244,181	253,916
Economic Development	31,377	42,984	42,175	54,332
Capital Outlay	2,310,902	1,474,195	2,484,135	4,196,223
Debt Service				
Principal	115,000	115,000	130,000	155,826
Interest and Other Charges	62,869	60,569	61,219	66,017
Total Expenditures	<u>6,406,537</u>	<u>5,522,745</u>	<u>6,655,045</u>	<u>8,352,176</u>
Excess of Revenues Over (Under) Expenditures	587,522	(826,264)	220,690	224,826
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	-	-	-	-
Premium on Bond Issue	-	-	-	-
Issuance of Contract for Deed	-	-	-	-
Transfers In	1,029,777	1,021,420	1,184,995	1,680,286
Transfers Out	(1,029,777)	(1,021,420)	(1,184,995)	(1,680,286)
Sale of Capital Assets	18,262	-	31,416	45,650
Total Other Financing Sources (Uses)	<u>18,262</u>	<u>-</u>	<u>31,416</u>	<u>45,650</u>
Net Change in Fund Balances	<u>\$ (808,002)</u>	<u>\$ 220,690</u>	<u>\$ 252,106</u>	<u>\$ 270,476</u>
Debt Service as a Percentage of Noncapital Expenditures	3.7%	3.6%	3.6%	3.2%

Notes: Debt service as a percentage of Noncapital Expenditures is restated for 2018 and 2019.

Table 4

Fiscal Years					
2017	2018	2019	2020	2021	2022
\$ 4,721,402	\$ 4,960,275	\$ 4,917,533	\$ 5,160,767	\$ 5,368,370	\$ 5,675,368
557,273	537,427	512,039	570,476	592,028	570,567
1,350,839	1,668,417	1,246,049	3,286,706	1,269,748	1,825,631
232,831	218,031	268,623	300,660	374,157	420,860
37,707	35,114	27,610	22,131	26,530	32,056
8,487	34,984	90,926	44,489	98,632	72,325
84,331	126,890	220,336	139,105	(3,841)	37,804
211,647	181,070	273,330	265,977	283,303	167,194
<u>7,204,517</u>	<u>7,762,208</u>	<u>7,556,446</u>	<u>9,790,311</u>	<u>8,008,927</u>	<u>8,801,805</u>
972,511	1,046,122	1,039,328	2,056,395	1,145,383	1,590,229
1,790,997	1,930,686	2,053,446	2,188,143	2,159,209	2,380,069
1,184,327	1,116,072	1,257,368	1,043,022	1,174,268	1,215,203
222,401	266,306	243,172	229,269	237,858	193,133
39,585	73,631	53,570	38,695	28,295	35,830
2,717,136	2,501,605	3,470,527	3,910,855	3,343,700	1,715,136
180,826	186,524	187,222	187,920	187,920	198,600
57,876	53,192	47,871	45,634	37,148	30,615
<u>7,165,659</u>	<u>7,174,138</u>	<u>8,352,504</u>	<u>9,699,933</u>	<u>8,313,781</u>	<u>7,358,815</u>
38,858	588,070	(796,058)	90,378	(304,854)	1,442,990
249,186	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,497,823	1,247,000	1,271,350	1,271,350	1,852,670	1,436,700
(1,497,823)	(1,247,000)	(1,271,350)	(1,271,350)	(1,852,670)	(1,436,700)
<u>40,000</u>	<u>15,569</u>	<u>135,373</u>	<u>24,410</u>	<u>83,182</u>	<u>185</u>
289,186	15,569	135,373	24,410	83,182	185
<u>\$ 328,044</u>	<u>\$ 603,639</u>	<u>\$ (660,685)</u>	<u>\$ 114,788</u>	<u>\$ (221,672)</u>	<u>\$ 1,443,175</u>
6.0%	4.9%	4.4%	3.7%	4.7%	3.8%

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**City of Ham Lake**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Shown by year of tax collectability)**  
**(Unaudited)**

**Table 5**

Fiscal Year	Property Tax	Lodging Tax <sup>1</sup>	Franchise Tax <sup>2</sup>	Total
2013	\$ 4,088,818	\$ 19,975	\$ 44,301	\$ 4,153,094
2014	4,214,730	22,747	44,601	4,282,078
2015	4,339,569	24,261	44,666	4,408,496
2016	4,475,867	25,861	84,085	4,585,813
2017	4,588,120	28,630	95,707	4,712,457
2018	4,827,583	30,988	85,872	4,944,443
2019	4,929,333	31,162	86,510	5,047,005
2020	5,069,275	24,048	86,984	5,180,307
2021	5,375,448	28,733	62,821	5,467,002
2022	5,696,533	29,743	59,846	5,786,122

Notes: <sup>1</sup> The lodging tax is received from a motel which is located in the City of Ham Lake. This motel collects a 3% lodging tax on its room rentals, which it remits to the City. The City sends 95% of the lodging tax to a local convention and visitors bureau. The City was a member of Visit Minneapolis North from 2003 to 2009. On January 1, 2010 the City joined a newly-formed organization, Twin Cities Gateway. This organization promotes tourism in Ham Lake and eight other communities on the northern side of Minneapolis and St. Paul.

<sup>2</sup> The franchise tax is received from North Metro Telecommunications Commission and recorded in the Cable TV Fund and the 2016A Circle Pines Debt Service Fund. Please see Note 3D of the Notes to the Financial Statements for additional information regarding the 2016A capital notes.

**City of Ham Lake**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Shown by year of tax collectability)**

Fiscal Year	Taxable Market Value					
	Personal Property	Residential	Agricultural	Seasonal and Recreational	Commercial & Industrial	Public Utilities
2013	\$ 16,807,500	\$ 1,055,786,868	\$ 31,449,425	\$ 3,012,000	\$ 117,500,200	\$ 621,300
2014	16,390,400	1,066,203,668	33,216,741	2,600,500	112,824,500	654,000
2015	15,724,600	1,228,182,812	32,717,145	2,561,800	114,228,400	610,700
2016	16,650,500	1,281,691,359	32,647,960	2,463,900	117,361,600	595,800
2017	17,437,700	1,380,962,974	33,064,497	2,526,100	124,118,700	814,600
2018	18,090,300	1,497,195,965	33,108,796	2,463,200	127,320,200	798,800
2019	18,345,500	1,630,174,776	35,273,466	2,760,400	141,158,000	764,000
2020	18,695,400	1,760,205,419	35,876,998	11,446,300	144,021,600	713,500
2021	19,987,600	1,847,192,972	38,036,215	11,506,700	156,344,300	596,400
2022	15,451,100	2,039,325,089	39,968,257	11,543,100	167,593,100	647,800

- Notes:
- <sup>1</sup> Taxable market value is defined in Minnesota Statute 272.03 as "the usual selling price at the time of assessment." It is the price that could be obtained for a sale under competitive, open market conditions. Minnesota Statute 273.08 requires that the Assessor review every parcel at least once every five years to be sure information used to establish the property value is accurate and up to date. Characteristics of each property is entered into a computerized system, along with information from actual sales of property in each community. This information is used to update the taxable market value each year.
  - <sup>2</sup> The direct tax rate is the amount of property tax levied per thousand dollars of tax capacity. It does not include the levy for the market value referendum. The last year of the market value referendum was payable 2010.
  - <sup>3</sup> Tax capacity is determined by multiplying the market value of the property by the statutory percentage rate (also called the class rate) for the specific classification of use of the property. Minnesota has many tax rates, and those rates can be changed only by the State Legislature. For a list of the current class rates, contact Anoka County Property Records and Taxation Division.

Source: *Anoka County Property Records and Taxation*

**Table 6**

Total Taxable Market Value <sup>1</sup>	Direct Tax Rate <sup>2</sup>	Tax Capacity <sup>3</sup>	Total Estimated Market Value
\$ 1,225,177,293	29.226	\$ 13,420,528	\$ 1,319,312,400
1,231,889,809	29.689	13,427,903	1,325,535,400
1,394,025,457	26.869	15,070,944	1,480,296,000
1,451,411,119	26.914	15,695,199	1,536,053,500
1,558,924,571	25.578	16,861,195	1,640,059,400
1,678,977,261	25.007	18,120,238	1,755,089,400
1,828,476,142	23.439	19,766,425	1,899,329,300
1,970,959,217	22.426	21,352,780	2,025,033,800
2,073,664,187	21.953	22,483,404	2,143,670,400
2,274,528,446	21.486	24,646,326	2,338,397,100



**City of Ham Lake  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Payable Year	City Direct Rate			Overlapping Rates <sup>1</sup>			
	General Revenue	G.O. Bond Rate	Total Rate	County Tax Capacity Rate	Misc. Tax Capacity Rate <sup>2</sup>	Tax Capacity Rate	
						District 11 Anoka- Hennepin	District 831 Forest Lake
2013	27.896	1.330	29.226	44.761	4.094	26.801	22.018
2014	28.289	1.400	29.689	43.239	4.168	28.265	23.896
2015	25.666	1.203	26.869	38.123	4.117	22.482	21.145
2016	25.581	1.333	26.914	38.894	4.430	20.885	24.902
2017	24.363	1.215	25.578	36.841	4.103	18.590	31.213
2018	23.899	1.108	25.007	35.334	4.026	18.392	26.231
2019	22.450	0.989	23.439	34.473	3.666	16.330	24.856
2020	21.523	0.903	22.426	33.078	3.406	16.948	25.097
2021	21.072	0.881	21.953	31.086	3.469	16.152	25.090
2022	20.683	0.803	21.486	29.254	3.239	16.319	24.425

- Notes:
- <sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Ham Lake. Anoka County rates apply to all property owners in Ham Lake. Some properties are within the Anoka Hennepin school district and others are within the Forest Lake school district. Total tax capacity rates are shown for properties within each of the school districts. Some but not all properties are within the Coon Creek or Rice Creek watershed districts. Therefore, the watershed rates are not included in the total tax capacity rates.
- <sup>2</sup> Miscellaneous tax capacity rates include the following: Metropolitan Council, Metro Mosquito Control, Anoka County RR Authority, Anoka County HRA, and County/Municipal Public Safety.

Source: *Anoka County Property Records and Taxation*

**Table 7**

Total Tax Capacity Rate Excluding Watershed			
Within School District 11	Within School District 831	Coon Creek Watershed	Rice Creek Watershed
104.882	100.099	1.153	2.333
105.361	100.992	1.482	2.219
91.591	90.254	1.425	1.913
91.123	95.140	2.135	2.069
85.112	97.735	1.385	1.827
82.759	90.598	1.388	1.778
77.906	86.432	1.316	1.750
75.858	84.007	1.273	1.795
72.660	81.598	1.261	1.757
70.298	78.404	1.357	1.715

**City of Ham Lake  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)**

**Table 8**

Taxpayer	Type of Business	2022			2013		
		Tax Capacity	Rank	Percentage of Total City Tax Capacity	Tax Capacity	Rank	Percentage of Total City Tax Capacity
Flamingo Terrace Inc	Mobile Home Park	\$ 127,468	1	0.52%	\$ 95,238	2	7.10%
Copart of Connecticut Inc <sup>2</sup>	Commercial	112,474	2	0.46%			
Xcel Energy	Utility	107,298	3	0.44%			
Majestic Greens LLC <sup>1</sup>	Apartment	89,361	4	0.36%			
Minnegasco Inc	Utility	87,834	5	0.36%	58,762	5	0.44%
CBN Enterprises LLC	Industrial	79,988	6	0.32%			
CF Majestic Oaks Arcis LLC	Commercial/Golf Course	72,546	7	0.29%			
Storage World Inc	Commercial	71,523	8	0.29%			
Mickman Limited Liability Partnership	Commercial	66,000	9	0.27%			
Elk Investments LLC	Industrial	47,244	10	0.19%	45,816	9	0.34%
Connexus Energy	Utility				156,066	1	1.16%
CNL Income Eagle North Golf LLC <sup>3</sup>	Golf Course				62,606	3	0.47%
P & R Enterprises LLC	Industrial				60,474	4	0.45%
Crosstown Shopping Center Inc	Commercial				57,942	6	0.43%
Woodland Development Inc	Developer				52,503	7	0.39%
Glen Harstad	Industrial				46,788	8	0.35%
Northern States Power Co.	Industrial				41,230	10	0.31%
	Totals	<u>\$ 861,736</u>		<u>3.50%</u>	<u>\$ 677,425</u>		<u>5.05%</u>

Notes:

<sup>1</sup> Majestic Greens Apartments-Owned by Woodland Development Inc. in 2008

<sup>2</sup> Copart of Connecticut Inc-Moved from #14 in 2015 to #6 in 2016 by purchasing an additional parcel and combining the two parcels

<sup>3</sup> Majestic Oaks Golf Club-Owned by CNL Income Eagle North Golf LLC in 2008

Source: Anoka County Property Records and Taxation

**City of Ham Lake  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

**Table 9**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 4,087,023	\$ 4,036,697	98.77%	\$ 47,372	\$ 4,084,069	99.93%
2014	4,217,428	4,174,450	98.98%	39,716	4,214,166	99.92%
2015	4,335,280	4,291,661	98.99%	38,383	4,330,044	99.88%
2016	4,465,338	4,438,155	99.39%	23,626	4,461,781	99.92%
2017	4,593,101	4,568,453	99.46%	19,761	4,588,214	99.89%
2018	4,797,978	4,793,239	99.90%	-	4,793,239	99.90%
2019	4,930,453	4,893,749	99.26%	-	4,893,749	99.26%
2020	5,066,994	5,018,896	99.05%	-	5,018,896	99.05%
2021	5,218,342	5,200,943	99.67%	17,399	5,218,342	100.00%
2022	5,600,859	5,581,262	99.65%	5,428	5,586,690	99.75%

Source: Anoka County property tax settlements

**City of Ham Lake**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 10**

Fiscal Year	Governmental Activities		Total Outstanding Debt	Percentage of Personal Income <sup>2</sup>	Population <sup>3</sup>	Debt Per Capita
	General Obligation Bonds <sup>1</sup>	Special Assessment Bonds				
2013	\$ 2,070,000	\$ -	\$ 2,070,000	0.34%	15,650	\$ 132.27
2014	1,955,000	-	1,955,000	0.32%	15,666	124.79
2015	1,825,000	-	1,825,000	0.28%	15,773	115.70
2016	1,918,360	-	1,918,360	0.26%	15,891	120.72
2017	1,737,534	-	1,737,534	0.22%	15,891	109.34
2018	1,551,010	-	1,551,010	0.18%	16,528	93.84
2019	1,363,788	-	1,363,788	0.17%	16,706	81.63
2020	1,175,868	-	1,175,868	0.15%	16,464	71.42
2021	987,948	-	987,948	0.12%	16,489	59.92
2022	789,348	-	789,348	0.10%	16,489	47.87

Notes: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.  
The City has no business-type activities

<sup>1</sup> Presented net of original Issuance discounts and premiums.

<sup>2</sup> Personal income is disclosed on Demographic and Economic Statistics table.

<sup>3</sup> Population data which is used to calculate the per capita debt and is found on the Demographic

**City of Ham Lake**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Table 11**

Fiscal Year	General Obligation Bonds <sup>1</sup>	Less: Amounts Available in Debt Service Fund <sup>2</sup>	Total	Percentage of Actual Taxable Value of Property <sup>3</sup>	Per Capita <sup>4</sup>
2013	\$ 2,070,000	\$ 164,396	\$ 1,905,604	0.16%	123.08
2014	1,955,000	187,562	1,767,438	0.14%	114.13
2015	1,825,000	191,648	1,633,352	0.12%	104.76
2016	1,918,360	226,167	1,692,193	0.12%	106.49
2017	1,737,534	239,519	1,498,015	0.10%	94.27
2018	1,551,010	247,956	1,303,054	0.08%	78.84
2019	1,363,788	257,125	1,106,663	0.06%	66.24
2020	1,175,868	261,316	914,552	0.05%	55.55
2021	987,948	277,513	710,435	0.03%	43.09
2022	789,348	290,910	498,438	0.02%	30.23

Notes: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. The City has no business-type activities

<sup>1</sup> Net of original issuance discounts and premiums.

<sup>2</sup> This is the amount restricted for debt service principal payments.

<sup>3</sup> See Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>4</sup> Population data can be found in the schedule of Ratios of Outstanding Debt by Type.

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**City of Ham Lake**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2022**  
**(Unaudited)**

**Table 12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>2</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Anoka County <sup>1a</sup>	\$ 44,435,000	5.309%	\$ 2,359,268
Metropolitan Council <sup>1b</sup>	6,285,000	5.309%	333,671
Anoka Hennepin School District No. 11 <sup>1c</sup>	245,055,000	7.766%	19,031,612
Forest Lake School District #831 <sup>1c</sup>	157,255,000	6.918%	<u>10,878,795</u>
Subtotal, Overlapping Debt			32,603,345
City Direct Debt			<u>789,348</u>
Total Direct and Overlapping Debt			<u><u>\$ 33,392,693</u></u>

Notes: Overlapping debt is the debt of governments that coincide, at least in part, with the geographical 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 Ham Lake. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.

<sup>1a</sup> Estimated general obligation as pf 12-31-22, excluding general obligation tax and aid anticipation certificates and revenue supported debt.

<sup>1b</sup> Estimated general obligation debt as of 12-22-31, excluding general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.

<sup>1c</sup> Estimated general obligation as pf 12-31-22.

<sup>2</sup> The estimated percentage applicable is calculated by dividing the total net adjusted tax capacity for the taxing authority by the total net adjusted tax capacity that lies within the City's boundaries

Source: *Anoka County Property Records and Taxation*



**City of Ham Lake  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)**

	Fiscal Years				
	2013	2014	2015	2016	2017
Debt Limit	\$ 39,579,372	\$ 39,766,062	\$ 44,408,880	\$ 46,081,605	\$ 49,201,782
Total Net Debt Applicable to Limit	<u>2,070,000</u>	<u>1,955,000</u>	<u>1,825,000</u>	<u>1,918,360</u>	<u>1,737,534</u>
Legal Debt Margin	<u>\$ 37,509,372</u>	<u>\$ 37,811,062</u>	<u>\$ 42,583,880</u>	<u>\$ 44,163,245</u>	<u>\$ 47,464,248</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.23%	4.92%	4.11%	4.16%	3.53%

**Notes:** Minnesota statutes limit the debt that a city can incur to 3% of the market value of taxable property in the city. However, there are many exceptions to the type of debt that is included in the limit. The result of these limits is that, with only a few exceptions, general obligation bonds payable solely from ad valorem property taxes are the only debt subject to the debt limit. The legal debt limit has nothing to do with the practical debt limit of a city. Additional information regarding the City's debt can be found in Note 5 of the financial statements.

**Table 13**

**Legal Debt Margin Calculation for the Fiscal Year 2022**

Estimated Market Value	\$ 2,338,397,100 <sup>1</sup>
Debt Limit (3% of Estimated Market Value)	70,151,913
Debt Applicable to Limit:	789,330.00
	-
	<u>789,330</u>
Legal Debt Margin	<u>\$ 69,362,583</u>

Fiscal Years				
2018	2019	2020	2021	2022
\$ 52,652,682	\$ 56,679,879	\$ 59,575,146	\$ 64,310,112	\$ 70,151,913
<u>1,551,010</u>	<u>1,363,788</u>	<u>1,175,868</u>	<u>987,948</u>	<u>789,348</u>
<u>\$ 51,101,672</u>	<u>\$ 55,316,091</u>	<u>\$ 58,399,278</u>	<u>\$ 63,322,164</u>	<u>\$ 69,362,565</u>
2.95%	2.41%	1.97%	1.54%	1.13%
		187,920	187,920	198,600

**City of Ham Lake  
Demographic and Economic Statistics  
Last Ten Calendar Years  
(Unaudited)**

**Table 14**

Calendar Year	Population	Number of Households	Personal Income <sup>3</sup>	Per Capita Personal Income <sup>1</sup>	Unemployment Rate <sup>2</sup>
2013	15,650	5,323	\$ 570,458,150	\$ 36,451	4.4%
2014	15,666	5,329	563,443,356	35,966	3.8%
2015	15,773	5,358	596,913,412	37,844	3.6%
2016	15,891	5,406	641,328,978	40,358	3.9%
2017	15,891	5,406	673,714,836	42,396	3.2%
2018	16,528	5,459	726,240,320	43,940	3.2%
2019	16,706	5,651	805,078,846	48,191	3.1%
2020	16,464	5,718	774,878,160	47,065	5.3%
2021	16,489	5,748	829,759,458	50,322	2.8%
2022	16,489	5,748	829,759,458	50,322	3.0%

Notes: <sup>1</sup> Per capita personal income estimates are from May 2023 from the Metropolitan Council Community Profile of Ham Lake and includes data from the Decennial Census and American Community Survey. Years 2013-16 and 2021 have been restated to reflect data from this source. The Per capita personal income for 2022 was not available and is 2021 estimate. All dollar estimates are in current dollars (not adjusted for inflation).  
<sup>2</sup> Unemployment rates are the December rate for Anoka County (not seasonally adjusted).  
<sup>3</sup> Personal income is calculated by multiplying the per capita personal income by the population of the City.

Sources: *Estimates of population and number of households for 2012-2021 are provided by the Metropolitan Council. Per capita personal income is provided by the U.S. Department of Decennial Census, and American Community Survey  
Unemployment rates are provided by the Minnesota Department of Employment and Economic Development*

**City of Ham Lake  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

**Table 15**

Employer	2022 <sup>3</sup>			2013		
	Estimated Number of Employees	Rank	Percentage of Total City Employment	Estimated Number of Employees	Rank	Percentage of Total City Employment
Mickman Brothers Inc. <sup>1</sup>	250	1	6.20%	240	1	7.62%
Majestic Oaks	225	2	5.58%	190	2	6.03%
Air Mechanical Inc.	138	3	3.42%	103	4	3.27%
QC Companies	125	4	3.10%	95	5	3.02%
Ceco Concrete Construction	108	5	2.68%			
DaVinci Academy	104	6	2.58%			
Cool Air Mechanical	100	7	2.48%			
I.S.D. No. 11 (Anoka-Hennepin) <sup>2</sup>	85	8	2.11%	90	6	2.86%
Jam Hops Gymnastics, Inc.	85	8	2.11%			
North Anoka Control Systems	50	9	1.24%			
Micron Metalworks	48	10	1.19%	44	10	1.40%
Fleetwood	48	10	1.19%			
Measurement Specialities <sup>4</sup>				110	3	3.49%
Caribou Technologies				67	7	2.13%
Fairchild Equipment				47	8	1.49%
T & J Concrete & Masonry, Inc				44	9	1.40%

- Notes:
- <sup>1</sup> Includes full-time, part-time, and seasonal employees
  - <sup>2</sup> Includes school district employees working in the City of Ham Lake only
  - <sup>3</sup> Current information for 2022 is based off the survey completed by the City in 2017; therefore, amounts shown are as of 12/31/2017.
  - <sup>4</sup> Formerly RDT Company

Sources: *Survey last conducted by City of Ham Lake Staff 2017  
Metropolitan Council and Minnesota Department of Employment and Economic Development*

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**City of Ham Lake**  
**Full-time Equivalent City Employees by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

**Table 16**

Function/Program	Full-time Equivalent Employees for the Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administration and City Clerk	2.2	2.3	1.9	1.8	1.6	2.0	2.0	2.5	2.1	2.3
Finance	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.4	2.0	2.0
Planning	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.8	0.9	0.7
Cable Operator	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-
Recycling	-	-	-	-	-	-	-	-	0.1	0.1
Public Safety										
Fire	1.9	1.8	1.5	1.7	1.9	2.0	2.0	1.2	2.3	2.0
Building Inspection	2.3	2.1	2.4	2.6	2.8	3.5	3.9	4.1	3.7	3.9
Parks & Recreation										
Parks Department	2.8	2.5	2.2	1.8	1.9	3.1	2.9	2.6	2.0	1.5
Public Works	<u>5.8</u>	<u>6.4</u>	<u>6.4</u>	<u>6.1</u>	<u>6.4</u>	<u>4.5</u>	<u>6.2</u>	<u>5.4</u>	<u>6.3</u>	<u>6.1</u>
Total Average Full-Time Equivalents	<u>18.1</u>	<u>18.2</u>	<u>17.5</u>	<u>17.1</u>	<u>17.7</u>	<u>18.2</u>	<u>18.7</u>	<u>18.0</u>	<u>19.2</u>	<u>18.6</u>
Full-Time Employees at Year-End	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>18</u>	<u>17</u>

Notes: FTEs for hourly employees are determined by dividing hours worked by 2080 or 2088 hours, depending upon the number of working days in the year.  
Salaried employees are counted as 1 FTE each.  
The Administrator started a phased retirement in 2013, working 20 hours per week  
The part-time building inspector was made full time in 2012, and an on-call building inspector was hired for 2012 and 2013, due increased building activity in the City.  
The on-call building inspector was made full time in 2014.  
A third administrative assistant was hired in October 2017.  
The City employs seasonal workers for the public works and parks departments, as well as on-call snowplow drivers.  
Fire department FTEs do not include paid on-call fire fighters. They are reported in the Schedule of Operating Indicators by Function/Program.  
Elected officials and appointed commissioners are not included in these numbers.  
The City contracts with the Anoka County Sheriff's Office for police protection.  
A Full-Time Finance Director was hired in 2020.  
Part-time Fire Inspector was hired in 2021 and former Chief helped train new Fire Chief.  
Started tracking Recycling hours for grant purposes in 2021.

Source: City of Ham Lake Finance Department-payroll records

**City of Ham Lake**  
**Operating Indicators by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

<b>Function/Program</b>	<b>Fiscal Years</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Government</b>				
General Elections				
No. of Registered Voters		10,027		10,995
No. of Persons Voting		6,108		9,420
Percent of Registered Voters Voting		60.9%		85.7%
No. of Election Judges		54		75
<b>Public Safety</b>				
Fire Department				
No. of Paid On-Call Firefighters	34	34	36	37
No. of Emergency Responses	420	428	425	426
No. of Structure (House) Fires	12	8	6	4
No. of Fire Inspections	144	145	124	118
Police Protection				
Patrol Service-Hours per Day	36	36	36	36
No. of FTE Deputies	7.60	7.60	7.60	7.60
No. of FTE Investigator <sup>2</sup>	-	-	-	-
No. of Radio Calls for Service	5,841	5,303	not available	6,351
Building Inspection and Planning				
No. of Building Permits Issued				
New Homes	57	56	56	67
New Commercial	1	3	3	1
Other	1,100	1,153	1,357	1,305
Estimated Value of Permits	\$ 17,319,745	\$ 18,141,838	\$ 19,413,851	\$ 20,223,061
Building Inspections Completed	2,270	2,575	2,776	3,357
<b>Parks</b>				
Hours Spent on Oak Wilt Control	549	573	399	257
Hours Spent Mowing	611	719	687	785
Park Rentals-Ham Lake Park	156	161	144	147
Park Rentals-Lions Park	10	15	12	19
<b>Public Works</b>				
Lane Miles Plowed and Maintained	301.92	303.72	304.38	308.80
Hours Spent Plowing Streets	1,953	1,798	635	681
Hours Spent Sweeping Streets <sup>1</sup>	441	255	411	374

Notes: There were no general elections in 2013, 2015, 2017, 2019 and 2021.  
The City contracts with Anoka County Sheriff's Department for police protection.  
The City does not plow or maintain Highway 65 or county roads.  
The City's streets and roads are two lanes, so lane miles equal the number of linear miles plowed times two.  
<sup>1</sup> The City also contracted for street sweeping in 2014-2017 and 2021-2022.  
<sup>2</sup> An Investigator was added to the Anoka County Sheriff's Department Contract in 2022

Source: Various City departments and Anoka County Sheriff's Office

**Table 17**

Fiscal Years					
2017	2018	2019	2020	2021	2022
	10,922		9,710		11,590
	8,029		9,264		8,458
	73.5%		95.4%		73.0%
	67		71		77
35	35	38	34	40	35
447	506	431	238	429	435
4	5	27	19	9	14
114	124	13	2	89	229
36	36	36	36	36	36
7.60	7.60	7.60	7.60	7.60	7.60
-	-	-	-	-	1.00
6,456	6,694	8,061	6,108	7,237	6,031
61	66	67	63	67	63
6	1	2	4	3	2
1,660	1,519	666	1,579	1,602	1,369
\$ 23,515,764	\$ 20,815,344	\$ 22,584,378	\$ 31,812,743	\$ 29,287,029	\$ 27,427,200
2,913	3,212	3,413	2,965	4,000	4,022
93	126	162	22	62	48
1,504	1,467	503	1,307	858	762
140	138	132	6	23	30
11	12	9	8	18	10
313.00	324.88	314.40	327.00	335.38	337.38
663	1,402	2,348	1,216	1,223	1,699
276	339	330	493	457	327



**City of Ham Lake**  
**Capital Assets by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function/Program	Fiscal Years			
	2013	2014	2015	2016
General Government:				
Cell Tower Sites	3	3	3	3
Public Safety:				
Fire Department:				
Fire Stations	2	2	2	2
Police Protection:				
Sheriff's Substation	1	1	1	1
Public Works:				
Miles of Roads and Streets:				
Municipal State Aid Streets	27.77	27.82	28.15	28.68
Local Roads and Streets	123.19	124.04	124.04	125.72
Total Roads and Streets	<u>150.96</u>	<u>151.86</u>	<u>152.19</u>	<u>154.40</u>
Parks & Recreation				
Parks information:				
Number of Developed Parks	19	19	19	20
Number of Undeveloped Parks	7	10	10	10
Miles of Developed Trails	2.45	2.45	2.45	2.45
Number of Ball Fields	15	15	15	15
Number of Basketball Courts	6	6	6	6
Number of Parks with Playground Equipment	14	14	15	16
Skateboard Park	1	1	1	1
Skating Rinks	1	1	1	1
Park Maintenance Building	1	1	1	1
Disk Golf Course	9 holes	9 holes	18 holes	18 holes

Notes:

General Government:

Cell tower sites: The City owns the land and leases the tower sites to private companies, who construct the towers and manage the tenants. The original site is north of City Hall. The City purchased land for a second tower site in 2007. A third tower site was developed on the future Fire Station 3 land in 2009.

Public Safety:

In 2006, the City purchased land on which to build Fire Station 3. There are currently were no plans for construction of Station 3.

Public Works:

Municipal state aid streets are those for which the City received state aid for construction and receives annual state aid for maintenance. The City has no water or sewer infrastructure.

Parks and Recreation:

The parks and recreation function includes city parks and a senior center which is located in the lower level of City Hall. The Ham Lake Senior Center, Inc. uses the space. The City provides limited administrative support to the Senior Center. Park land (or money in lieu of park land) is donated to the City when the final plats of new developments are filed. Money received in lieu of park land is used to develop or improve city parks. The City entered into a joint powers agreement with Anoka County in 1996 for use of the ball fields located in Ham Lake Park. The park was deeded to the City by Anoka County in 2005. The City constructed a skateboard park in Lions Park and a park maintenance building in Ham Lake Park in 2005, an outdoor skating facility with lights in Ham Lake Park in 2006, and a 9-hole disc golf course in Ham Lake Park in 2007. The course was expanded to 18 holes in 2009. The back 9 holes were closed in 2012 due to vandalism and were re-opened in 2015. The City installed playground equipment in Fox Run Park in 2015, and developed Bluegrass Estates Park and installed playground equipment in 2016. The City installed playground equipment in Constance Estates Park and Lund's Creek Park in 2020. The City installed playground equipment in Red Fox Hollow in 2021.

Source: Public Works Superintendent, City Engineer, Park and Tree Commission Master Plan

**Table 18**

Fiscal Years					
2017	2018	2019	2020	2021	2022
3	3	3	3	3	3
2	2	2	2	2	2
1	1	1	1	1	1
29.03	33.65	28.81	34.10	35.23	35.71
127.47	128.79	128.39	129.40	132.46	132.98
<u>156.50</u>	<u>162.44</u>	<u>157.20</u>	<u>163.50</u>	<u>167.69</u>	<u>168.69</u>
20	20	20	20	20	21
10	10	10	10	10	10
2.45	2.45	2.45	2.45	2.45	2.45
15	15	15	15	15	15
6	6	6	6	6	6
16	16	16	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
18 holes	18 holes	18 holes	18 holes	18 holes	18 holes