

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**OF THE**

**CITY OF CRYSTAL,**  
**MINNESOTA**

For the Year Ended

December 31, 2022

Prepared by  
City of Crystal Finance Department

Abdo Financial Solutions, Finance Director

# City of Crystal

## Table of Contents

### Page

#### Introductory Section

Elected Officials and Administration	1
Organizational Chart	3
Letter of Transmittal	5
Certificate of Achievement for Excellence in Financial Reporting	9

#### Financial Section

Independent Auditor's Report	11
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements	
Balance Sheet – Governmental Funds	32
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	39
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	40
Statement of Net Position – Proprietary Funds	42
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	44
Statement of Cash Flows – Proprietary Funds	46
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	48
Notes to Basic Financial Statements	49

#### Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios	92
Schedule of Employer Contributions – OPEB	93
Schedule of City's Proportionate Share of Net Pension Liability – General Employees Retirement Fund	94
Schedule of City's Proportionate Share of Net Pension Liability – Public Employees Police and Fire Retirement Fund	94
Schedule of City Contributions – General Employees Retirement Fund	95
Schedule of City Contributions – Public Employees Police and Fire Retirement Fund	95
Notes to Required Supplementary Information	97

#### Supplementary Information

Nonmajor Governmental Funds	105
-----------------------------	-----

## City of Crystal Table of Contents

	<b>Page</b>
 <b>Supplementary Information (Continued)</b>	
Combining and Individual Fund Financial Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	
– Nonmajor Governmental Funds	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
– Budget and Actual – TIF Districts - Special Revenue	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
– Budget and Actual – EDA - Special Revenue	111
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
– Budget and Actual – Street Reconstruction - Capital Projects	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual – Park Improvement - Capital Projects	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
– Budget and Actual – Police Equipment Revolving - Capital Projects	114
Combining Statement of Net Position - Internal Service Funds	115
Combining Statement of Revenues, Expenditures, and Changes in Net Position	
– Internal Service Funds	116
Combining Statement of Cash Flows – Internal Service Funds	117
 <b>Statistical Section (Unaudited)</b>	
Net Position by Component	122
Change in Net Position	124
Fund Balances of Governmental Funds	128
Changes in Fund Balances of Governmental Funds	130
Taxable and Estimated Market Values of Taxable Property	132
Property Tax Rates – Direct and Overlapping Governments	133
Principal Property Taxpayers	134
Property Tax Levies and Collations	135
Legal Debt Margin Information	136
Ratios of Outstanding Debt by Type	138
Ratios of General Bonded Debt Outstanding	139
Direct and Overlapping Governmental Activities Debt	140
Demographic and Economic Statistics	141
Principal Employers	142
Full-Time City Government Employees by Function	143
Operating Indicators by Function	144
Capital Asset Statistics by Function	146



**CITY of CRYSTAL**

**City of Crystal  
Elected Officials and Administration  
December 31, 2022**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Jim Adams	Mayor	December 31, 2024
Nancy LaRoche	Council Member (Section I - Wards 1 and 2)	December 31, 2024
Therese Kiser	Council Member (Ward 1)	December 31, 2022
Brendan Banks	Council Member (Ward 2)	December 31, 2022
Olga Parsons	Council Member (Section II - Wards 3 and 4)	December 31, 2022
John Budziszewski	Council Member (Ward 3)	December 31, 2024
David Cummings	Council Member (Ward 4)	December 31, 2024
<u>Administration</u>	<u>Position</u>	
Anne Norris	City Manager	Appointed
Abdo Financial Solutions	City Finance Director	Appointed
Christina Serres	City Clerk	Appointed
Kennedy and Graven, Chartered	City Attorney	Appointed
Chestnut Cambronne PA	City Prosecutor	Appointed

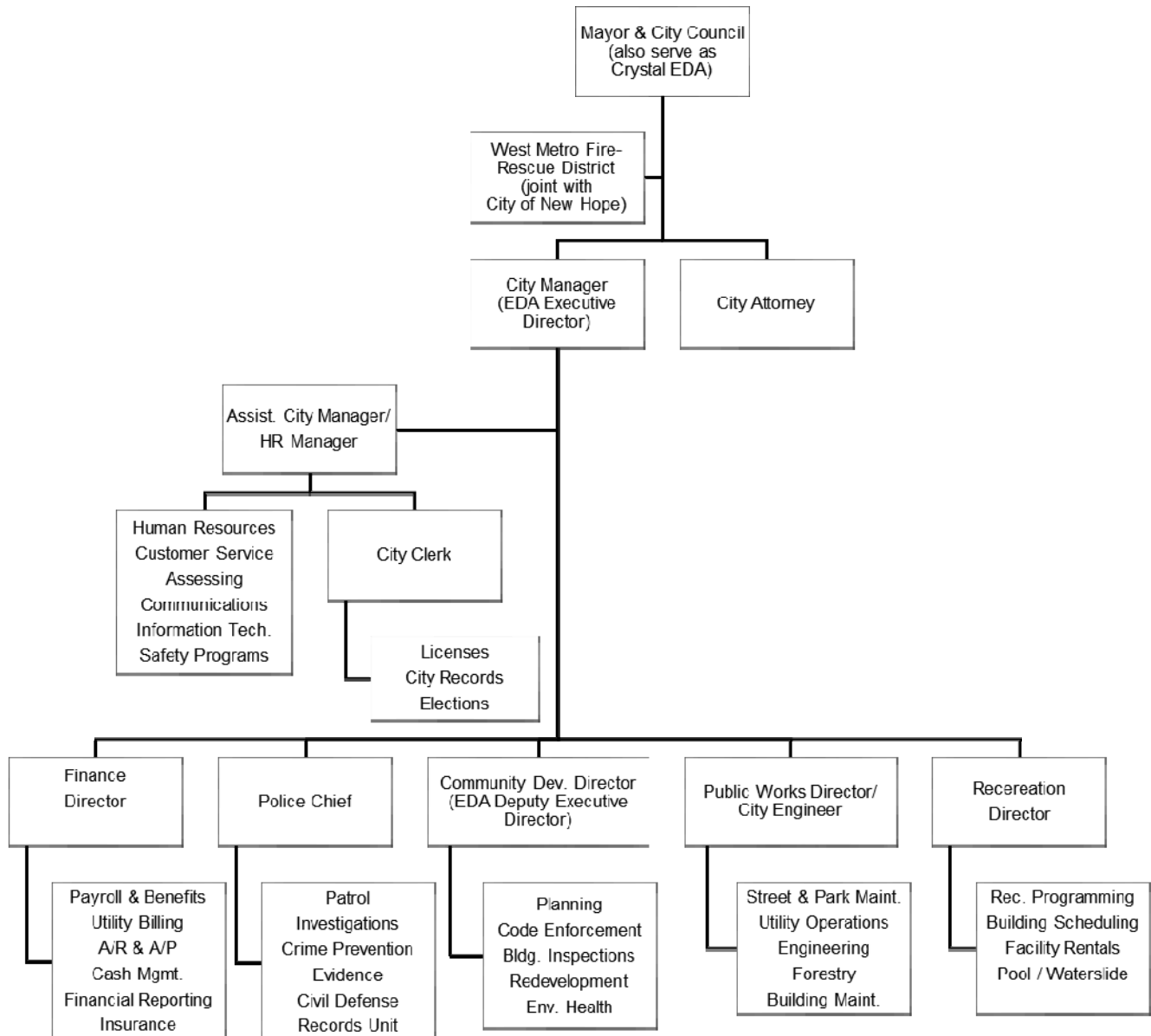


**CITY of CRYSTAL**



**CITY of CRYSTAL**

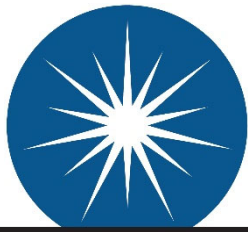
**City of Crystal  
Organizational Chart  
December 31, 2022**





**CITY of CRYSTAL**





**CITY of CRYSTAL**

4141 Douglas Drive North • Crystal, Minnesota 55422-1696

Tel: (763) 531-1000 • Fax: (763) 531-1188 • [www.crystalmn.gov](http://www.crystalmn.gov)

May 25, 2023

To the Crystal City Council and Citizens of the City of Crystal, Minnesota

The Annual Comprehensive Financial Report of the City of Crystal, Minnesota, for the fiscal year ended December 31, 2022, is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with U.S. generally accepted auditing standards. The report meets the requirements of the Office of the State Auditor and the City of Crystal Charter.

This report consists of management's representations concerning the City of Crystal's operations and financial position. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, city management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost 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's financial statements have been audited by BerganKDV, Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 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 a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal 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.

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

## **Profile of Government**

The City of Crystal, incorporated in 1960, is a northwestern suburb of the Minneapolis/St. Paul metropolitan area, lying adjacent to the City of Minneapolis. The city lies wholly within Hennepin County and encompasses an area of 5.8 square miles and serves a population of approximately 23,000 residents. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, the City of Crystal is a completely developed community and is bordered on all sides by other incorporated communities.

The City operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council (City Council) consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City. The City Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years. The mayor is also elected to serve a four-year term. The six council members are elected by section and ward; the mayor is elected at large.

The City of Crystal provides its residents and businesses with a full range of services, including police protection, the construction and maintenance of streets and other infrastructure, recreational activities, building and housing inspections, planning, and zoning, and code enforcement. In addition, the City operates five enterprises for water, sanitary sewer, storm drainage, street lighting, and recycling services.

Fire protection services are provided by a joint venture with the West Metro Fire-Rescue District, and water services are provided by a joint venture with the Golden Valley, Crystal, and New Hope Joint Water Commission. Additional information on these joint ventures can be found in the notes to the financial statements.

Housing and redevelopment activities are provided through a legally separate Economic Development Authority (EDA). Its governing board is comprised of the city council members and the City has operational responsibility of the EDA, meaning it manages the EDA's activities in essentially the same manner that it manages its own programs and departments. Therefore, it has been included as an integral part of the City's financial statements.

The annual budget serves as the foundation for the City's financial planning and control. In addition, the government maintains budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the city Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the budgeted amount) is at the fund level for all fund types, with the exception of the General Fund, which is at the department level. Budget-to-Actual comparisons are provided in this financial report for each individual governmental fund for which an annual budget has been adopted.

## **FACTORS AFFECTING ECONOMIC CONDITION**

### **Local Economy**

Crystal is a modest residential bedroom community. While it has a small amount of industry, it has a strong retail sector and is part of the northwest metro area with an abundance of living wage jobs within easy commuting distance. Good schools and affordable housing make the City of Crystal attractive to young families and first-time home buyers.

Access to major highways is good. Hennepin County reconstructed the portion of Hennepin County Highway 81 that passes through the city. Commercial and industrial properties along the Highway 81 corridor represents major redevelopment opportunities for future growth. The City experienced its most rapid population growth from 1950 to 1970 when the population grew from 5,700 to its peak of 30,925. Population declined after 1970, as families matured, and children left home. According to the 2020 Census, Crystal's population was 23,330. The most recent estimate from the Metropolitan Council is that Crystal's population is 22,791.

The City of Crystal saw significant increases in the market value of commercial/industrial and residential property until 2008. The City's taxable market value began decreasing with a 10.1% decrease from 2010 to 2011, 13.3% from 2011 to 2012, 12.1% from 2012 to 2013, and 0.1% from 2013 to 2014. In 2015, the City then started seeing increases with the most recent increase of 14.06% from 2021 to 2022. Table 5 in the Statistical Section provides additional information on property values.

Because Crystal is fully developed, redevelopment of targeted sites is generally necessary to increase the community's tax base. In 2022, construction took place on two \$2,000,000+ medical clinics. The City continues to investigate redevelopment options as they arise.

New homes not only increase the City of Crystal's assessed valuation, but they also serve as a confidence signal for other homeowners in the neighborhood to make improvements to their existing houses. To that end, the City provides financial incentives and assistance for home improvements. Qualifying property owners up to 100% of area median income are eligible for grants of up to \$8,000 for qualifying improvements. The City also provides an interest rate buy-down for MHFA Community Fix-Up Fund loans. The overall goal of these efforts is to improve the condition, quality, and desirability of the housing stock to enhance Crystal's reputation as a desirable yet affordable place to buy a home.

### **Long-term Financial Planning**

Capital budgeting for the replacement of buildings, streets, parks, and vehicles is a major financial challenge. The City has an ongoing street fund designed to rebuild streets, along with utilities as needed, add new curbs, gutters, and sidewalks, and add storm sewer.

The Building Fund is an Internal Service fund created for the purpose of accumulating reserves for the replacement of buildings such as the Police Station (majority of the construction completed in 2022), Fire Stations 1 and 2, streets, parks, and utility buildings, the Community Center, and any other major building projects that may be needed over the next fifteen years.

## **FACTORS AFFECTING ECONOMIC CONDITION (CONTINUED)**

### **Relevant Financial Policies**

It is the City's policy to maintain a fund balance in its General Fund of at least 45% of the next year's operating budget. The purpose of this policy is to assist with cash flow requirements and contingency during the second half of the fiscal year. The City operates on a calendar year basis, but half of the property taxes and LGA are received in July and the other half in December. Property taxes and intergovernmental revenues were 89% of the General Fund's revenue in 2022.

### **Major Initiatives**

The City continues to seek opportunities to facilitate commercial and residential redevelopment, subsidize home improvements by current owners, and fund construction projects that enhance the City's future development.

### **Awards**

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 Crystal for its annual comprehensive financial report with the most recent fiscal year ending December 31, 2021.

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 accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the finance department. We would like to express our appreciation to all members of the department for their assistance and contributions to the preparation of this report. Due credit should also be given to the mayor and the City Council for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'A. Bell', is written over a light gray horizontal line.

Adam R. Bell  
City Manager  
City of Crystal

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



Government Finance Officers Association

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

Presented to

**City of Crystal  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



**CITY of CRYSTAL**

## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Crystal  
Crystal, Minnesota

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

#### **Opinions**

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

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

#### **Basis for Opinions**

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

#### **Emphasis of Matter – 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 Crystal'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.

## **Responsibilities of Management for the Financial Statements (Continued)**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the West Metro Fire-Rescue District nor the Golden Valley, Crystal, New Hope Joint Water Commission, joint ventures of the City which are disclosed in the notes to the City's financial statements, and in which the City reports an equity interest of \$1,277,625 and \$5,330,686, respectively. The financial statements of the District and Commission were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts disclosed for the District and Commission, is based on the report of the other auditors.



### **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 Crystal'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023, on our consideration of the City of Crystal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*BerganKDV, Ltd.*

Minneapolis, Minnesota  
May 25, 2023

## **City of Crystal Management's Discussion and Analysis**

As management of the City of Crystal (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, located previously in this report.

### **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 \$125,639,972. Of this amount, \$26,368,903 is considered unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by \$5,803,137. Governmental activities experienced a \$3,553,276 increase in net position from operations while business-type activities experienced a \$2,249,861 increase in net position from operations.

At the end of the fiscal year, total fund balance for the General Fund was \$6,512,093, or 36.21% of total General Fund expenditures and transfers out.

The City's total long-term debt (excluding net pension liability and net OPEB obligation) decreased by \$1,203,826 during the fiscal year. The City's Total OPEB Liability decreased by \$142,604.

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

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

### **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 private sector business.

The Statement of Net Position presents information on all the City's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two 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 Crystal Management's Discussion and Analysis**

### **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 revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City include enterprises for water, sanitary sewer, storm drainage, streetlights, and recycling.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Economic Development Authority (EDA). The EDA is a legally separate entity, and its governing board is comprised of the City Council members. The City has operational responsibility of the EDA, and it functions as a department of the City to provide housing and redevelopment assistance through the administration of various programs. Therefore, the EDA has been included as an integral part of the City's financial statements.

#### **Fund Financial Statements**

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

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as 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 of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, and Street Reconstruction funds, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

## **City of Crystal Management's Discussion and Analysis**

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

#### **Governmental Funds (Continued)**

The City adopts an annual appropriated budget for all of its governmental funds. Budget to actual comparisons are provided in this financial report for each individual governmental fund for which an annual budget has been adopted.

#### **Proprietary Funds**

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer, storm drainage, streetlights, and recycling operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance, fleet, information technology, and city buildings activities. Because this activity predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sanitary sewer, storm drainage, streetlights, and recycling operations, all of which are reported as major funds of the City.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

#### **Notes to 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.

#### **Other Information**

Required Supplementary Information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees is presented immediately following the notes to the financial statements.

Combining and individual fund statements and schedules for nonmajor funds are presented immediately following the Required Supplementary Information.

# City of Crystal Management's Discussion and Analysis

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

The City has 70.26% of its total net position invested in capital assets (including land, buildings and structures, improvements other than buildings, machinery and equipment, office equipment and furnishings, software, vehicles and trailers, and infrastructure), less any related outstanding debt used to acquire those assets. 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 8.75% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of 20.99% represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.

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

A summary of the City's net position follows:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Current and Other Assets</b>	\$ 36,131,923	\$ 44,054,577	\$ 8,976,685	\$ 9,505,466	\$ 45,108,608	\$ 53,560,043
Equity interest in joint venture	1,277,625	949,220	5,330,686	5,058,743	6,608,311	6,007,963
Capital assets	74,277,002	64,714,803	25,485,834	22,539,961	99,762,836	87,254,764
Total assets	111,686,550	109,718,600	\$ 39,793,205	37,104,170	\$ 151,479,755	146,822,770
<b>Deferred Outflows of Resources</b>	10,060,271	5,970,382	248,497	324,756	10,308,768	6,295,138
<b>Long-Term liabilities</b>						
outstanding	29,198,925	18,576,484	1,014,260	704,567	30,213,185	19,281,051
Other liabilities	2,848,194	4,629,079	854,653	438,800	3,702,847	5,067,879
Total liabilities	32,047,119	23,205,563	1,868,913	1,143,367	33,916,032	24,348,930
<b>Deferred Inflows of Resources</b>	2,135,092	8,472,085	97,427	460,058	2,232,519	8,932,143
<b>Net Position</b>						
Net investment in capital assets	62,949,446	53,305,046	25,321,967	22,539,961	88,271,413	75,845,007
Restricted	10,999,656	12,295,252	-	-	10,999,656	12,295,252
Unrestricted	13,615,508	18,411,036	12,753,395	13,285,540	26,368,903	31,696,576
Total net position	\$ 87,564,610	\$ 84,011,334	38,075,362	\$ 35,825,501	\$ 125,639,972	\$ 119,836,835

# City of Crystal Management's Discussion and Analysis

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

### Net Position (Continued)

A summary of the City's changes in net position and revenues and expenses for 2022 and 2021 follows:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,199,421	\$ 1,742,602	\$ 10,327,899	\$ 10,042,428	\$ 12,527,320	\$ 11,785,030
Operating grants and contributions	890,737	963,527	563,599	202,760	1,454,336	1,166,287
Capital grants and contributions	8,553,139	1,670,868	7,801	49,395	8,560,940	1,720,263
General revenues						
Property taxes	14,175,783	13,437,858	-	-	14,175,783	13,437,858
Intergovernmental	1,220,414	1,552,768	-	-	1,220,414	1,552,768
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	(358,835)	163	(135,363)	(21,648)	(494,198)	(21,485)
Total revenues	26,680,659	19,367,786	10,763,936	10,272,935	37,444,595	29,640,721
<b>Expenses</b>						
General government	2,304,721	2,538,863	-	-	2,304,721	2,538,863
Public safety	10,325,270	8,207,219	-	-	10,325,270	8,207,219
Public works	4,650,024	4,789,185	-	-	4,650,024	4,789,185
Parks and recreation	4,615,108	4,097,820	-	-	4,615,108	4,097,820
Community development	1,481,719	1,748,467	-	-	1,481,719	1,748,467
Interest on long-term debt	255,755	307,840	-	-	255,755	307,840
Water	-	-	3,817,096	3,718,004	3,817,096	3,718,004
Sanitary sewer	-	-	2,668,640	2,742,022	2,668,640	2,742,022
Storm drainage	-	-	937,050	817,652	937,050	817,652
Street lights	-	-	205,757	180,314	205,757	180,314
Recycling	-	-	380,318	344,702	380,318	344,702
Total expenses	23,632,597	21,689,394	8,008,861	7,802,694	31,641,458	29,492,088
<b>Change in Net Position</b>						
Before Transfers	3,048,062	(2,321,608)	2,755,075	2,470,241	5,803,137	148,633
Transfers	505,214	479,501	(505,214)	(479,501)	-	-
Change in Net Position	3,553,276	(1,842,107)	2,249,861	1,990,740	5,803,137	148,633
Net position - beginning of year	84,011,334	85,853,441	35,825,501	33,834,761	119,836,835	119,688,202
Net position - end of year	<u>\$ 87,564,610</u>	<u>\$ 84,011,334</u>	<u>\$ 38,075,362</u>	<u>\$ 35,825,501</u>	<u>\$125,639,972</u>	<u>\$119,836,835</u>

### Governmental Activities

Governmental activities increased the City's governmental-type net position by \$3,553,276, or 4.23%, accounting for 61.23% of the total increase in the City's net position.

### Business-type Activities

Business-type activities increased the City's business-type net position by \$2,249,861, or 6.28%, accounting for 38.77% of the total increase in the City's net position.

**City of Crystal  
Management's Discussion and Analysis**

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

**Governmental Activities**

Governmental activities increased the City's governmental-type net position by \$3,553,276, or 4.23%, accounting for 61.23% of the total increase in the City's net position.

**Business-type Activities**

Business-type activities increased the City's business-type net position by \$2,249,861, or 6.28%, accounting for 38.77% of the total increase in the City's net position.

Key elements of the net increase include:

- Rate increases – The City Council approved a rate increase of 9% for water, 8% for Sewer, and 4.75% for the storm drainage utility.

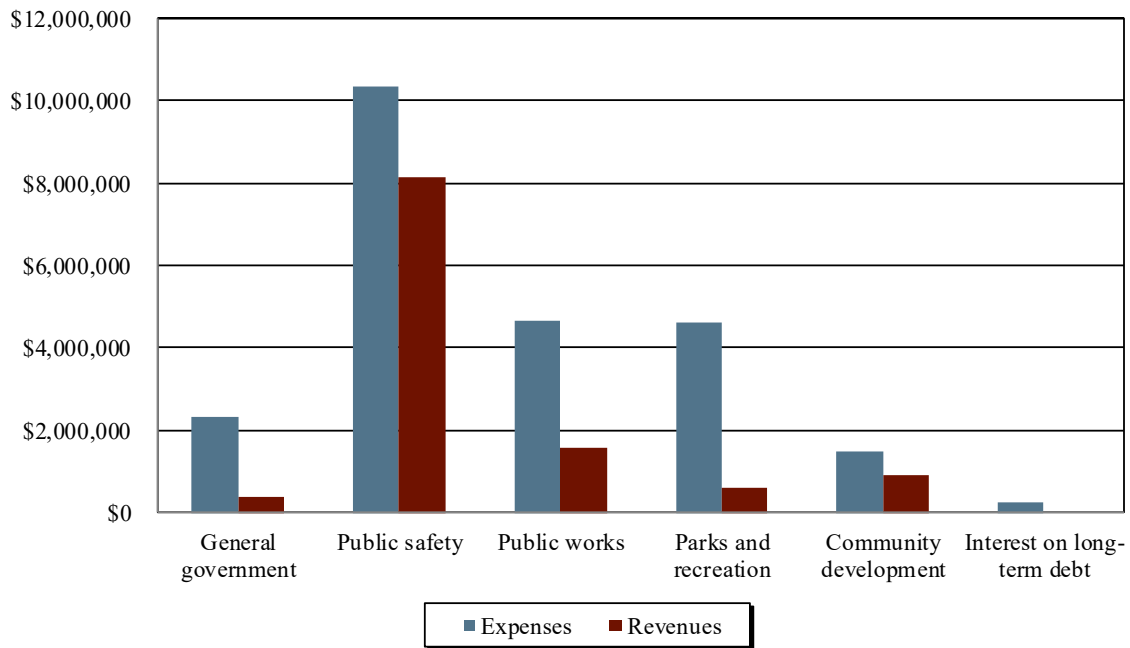


**City of Crystal  
Management's Discussion and Analysis**

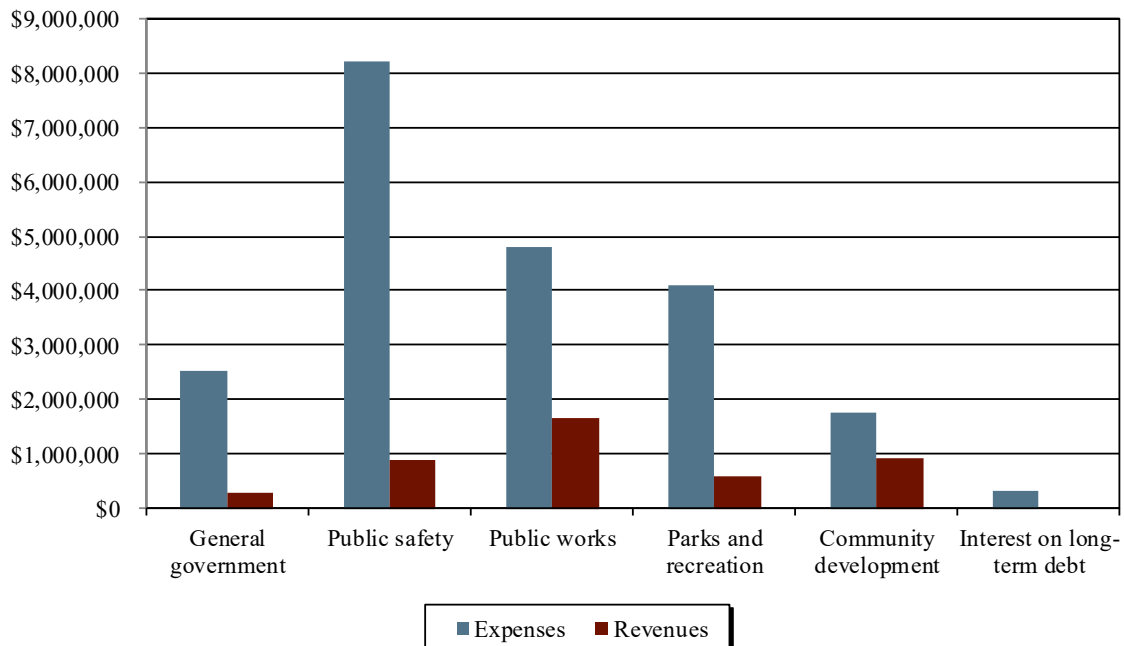
**EXPENSES AND PROGRAM REVENUES**

**Governmental Activities**

**2022 Expenses and Program Revenues - Governmental Activities**



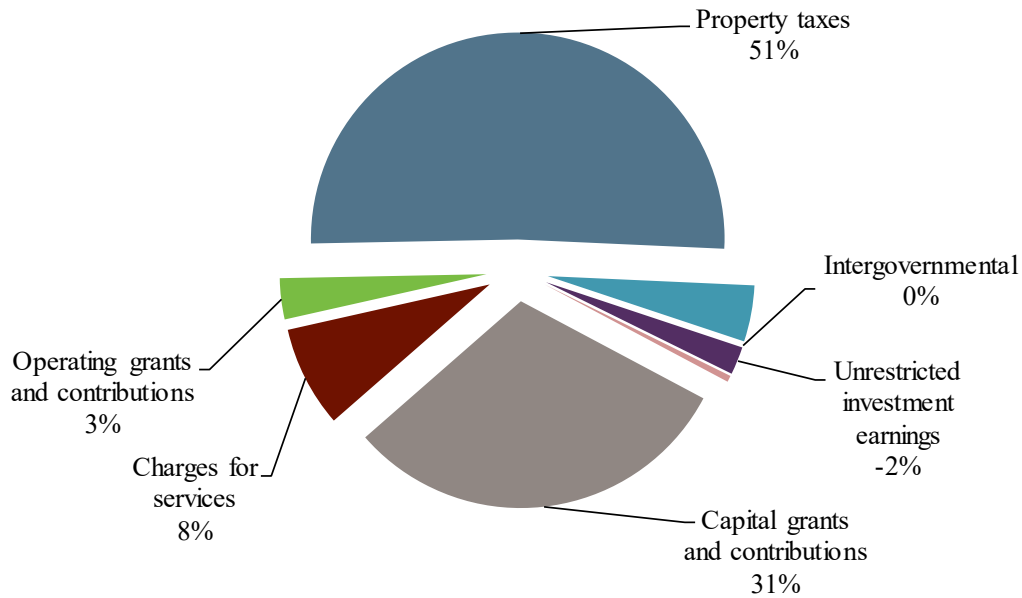
**2021 Expenses and Program Revenues - Governmental Activities**



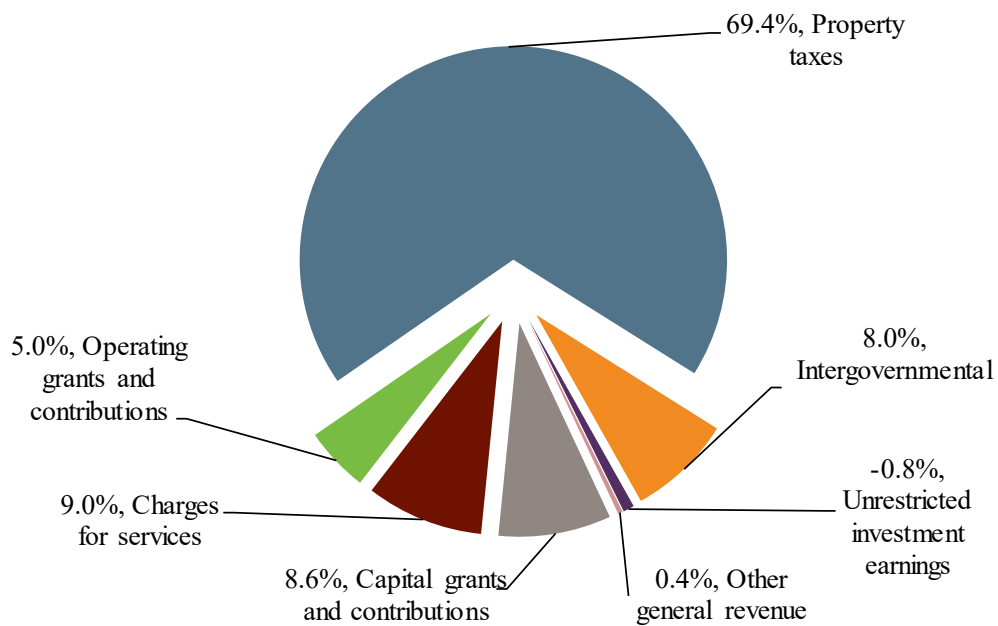
**City of Crystal  
Management's Discussion and Analysis**

**REVENUES BY SOURCE**

**2022 Revenues by Source - Governmental Activities**



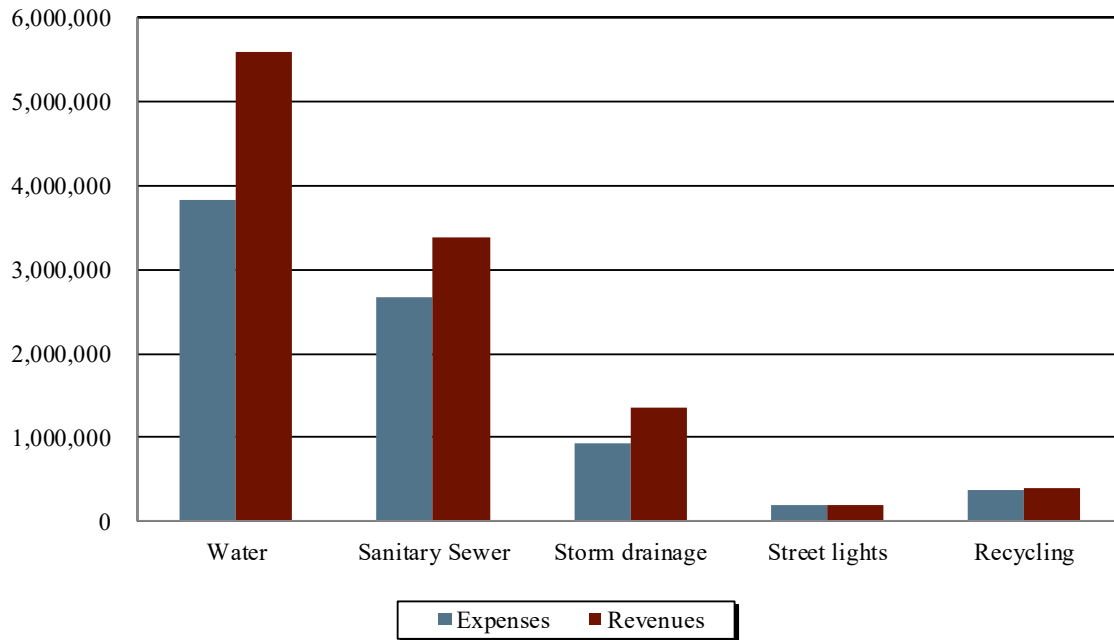
**2021 Revenues by Source - Governmental Activities**



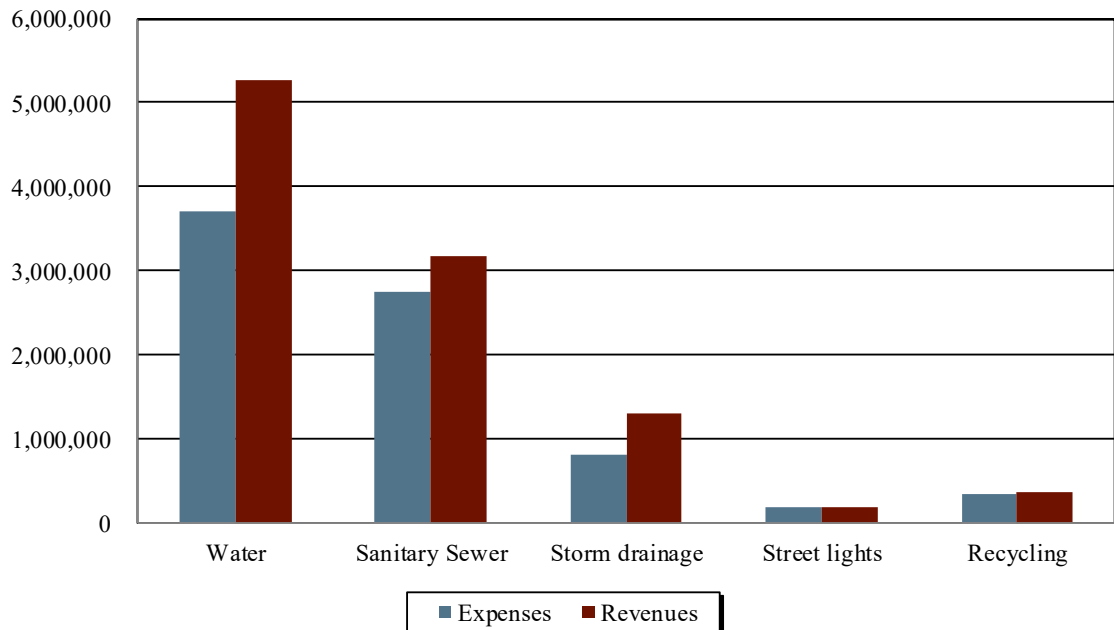
**City of Crystal  
Management's Discussion and Analysis**

**EXPENSES AND PROGRAM REVENUES**

**2022 Expenses and Program Revenues - Business Type Activities**



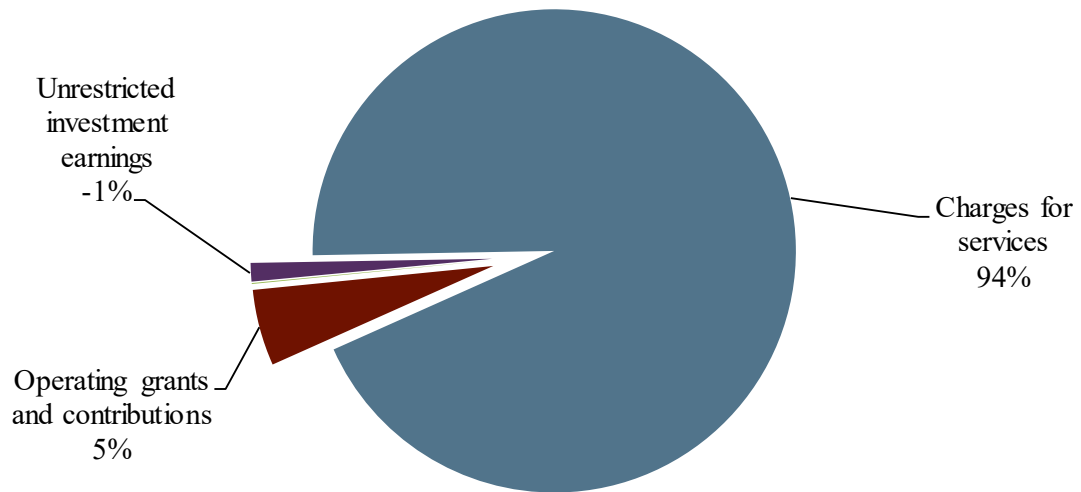
**2021 Expenses and Program Revenues - Business Type Activities**



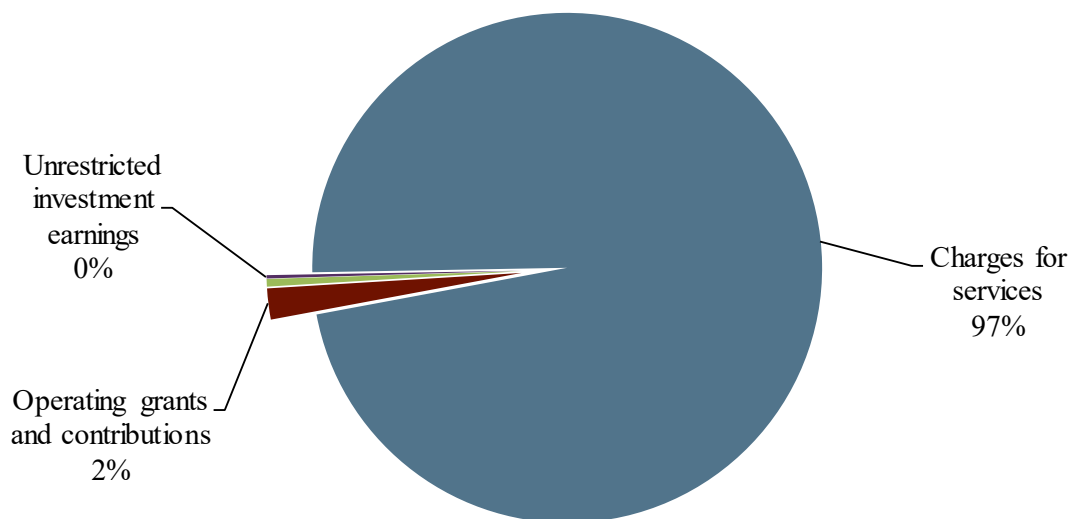
**City of Crystal  
Management's Discussion and Analysis**

**REVENUES BY SOURCE**

**2022 Revenues by Source - Business Type Activities**



**2021 Revenues by Source - Business Type Activities**



## **City of Crystal Management's Discussion and Analysis**

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

#### **Governmental Funds**

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$24,906,356, a decrease of \$1,523,219 compared to the prior year.

Approximately 22.32% of the total amount (\$5,558,799) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance has been classified as nonspendable (\$35,338), restricted (\$5,025,433), committed (\$14,187,152), and assigned (\$99,634).

The General Fund is the main operating fund of the City. At the end of the fiscal year total fund balance was \$6,512,093. Unassigned fund balance was \$5,558,799 of this amount, \$917,956 was committed for amounts incurred as an expense but not yet paid, and \$35,338 was reported as nonspendable to offset inventory and prepaid expenses. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 30.91% of total General Fund expenditures and transfers out. The unassigned fund balance is slightly less than the balance called for by the City's fund balance policy. Fund balance provides working capital to support operations until the first current-year tax settlement is received in June and July.

There was a decrease of \$1,257,445 in the fund balance of the General Fund during the current fiscal year driven by an expenditure increase of \$1,317,481 compared to the prior year. Total revenues were \$393,139 lower than the final budget. Intergovernmental revenues were higher than budget, while charges for services, fines and forfeitures, licenses and permits, special assessments, and miscellaneous revenues were lower than the final budget. Actual expenditures were \$882,098 higher than the final budget.

The EDA Fund recorded a decrease of \$77,447 in its fund balance during the current fiscal year. The fund balance of \$2,232,803 was committed for economic development projects.

The Debt Service Fund has a total fund balance of \$4,051,763, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current fiscal year was \$287,098. For additional transaction details, refer to the Long-Term Debt section located later in this Management's Discussion and Analysis, or to Note 6 in the notes to the financial statements.

The Street Reconstruction Fund recorded a decrease of \$68,615 in its fund balance during the current fiscal year. All of the fund balance of \$6,623,565 is committed.

#### **Proprietary Funds**

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

Unrestricted net position in the City's enterprise funds totaled \$12,753,395 at the end of the fiscal year. The water, sewer, and storm drainage funds reported increases in net position from operations of \$1,489,465, \$476,885, and \$330,534, respectively. Streetlights and recycling utility reported a decrease in net position from operations of \$41,120 and \$5,903.

## **City of Crystal Management's Discussion and Analysis**

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)**

#### **Budget Highlights**

The City's General Fund budget was not amended during the year. Both revenues and expenditures provided a negative budget variance. Total revenues were \$393,139 lower than the final budget. Property taxes, special assessments, licenses and permits, charges for sales and/or services, fines and forfeitures, and interest revenues were lower than budget, while intergovernmental were higher than budget. Actual expenditures were \$882,098 higher than the budget. Public safety, public works, general government, and recreation expenses were higher than budget, but community development expenses were lower than budget.

#### **Capital Assets**

The City's net capital assets for its governmental and business-type activities as of December 31, 2022, are \$99,762,836. This balance represents a net increase of \$12,508,072 from the prior year. Additional details of capital asset activity for the year can be found in Note 5 in the notes to the financial statements.

#### **Long-term Debt**

The City's total long-term debt decreased by \$1,203,826, or 9.65%, during the fiscal year. Normal required annual payments were made on bonds payable and compensated absences.

Additional details of long-term debt activity for the year can be found in Note 6 in the notes to financial statements.

The City's sound financial management and strong financial position, as evidenced by favorable reserves, has earned the City an Aa2 rating from Moody's Investors Service on its General Obligation debt.

State statutes limit the amount of General Obligation debt a governmental entity may issue to 3% of total taxable market value. The current debt limitation for the City is \$77,383,408. The City currently has no outstanding General Obligation debt.

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

Economic factors affect the preparation of annual budgets. The following factors were considered in preparing the City's budget for the 2022 fiscal year:

- The 2022 budget includes a 5.27% tax levy increase. This will be supplemented by increases in other revenues to cover an inflationary increases within the operating budget.
- In 2022, the City completed a utility rate study that updates the long-term plan for the utility funds resulting in varying increases to residential and commercial users.

**City of Crystal  
Management's Discussion and Analysis**

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

**Requests for Information**

Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Crystal  
Attn: Finance Director  
4141 Douglas Drive N.  
Crystal, MN 55422



**CITY of CRYSTAL**



## **BASIC FINANCIAL STATEMENTS**

**City of Crystal**  
**Statement of Net Position**  
**December 31, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments (including cash equivalents)	\$ 24,541,386	\$ 4,941,543	\$ 29,482,929
Temporarily restricted cash	159,774	-	159,774
Accrued interest	48,644	-	48,644
Accounts receivable	195,482	1,978,236	2,173,718
Delinquent taxes receivable	215,814	-	215,814
Special assessments receivable	7,496,631	404,469	7,901,100
Due from other governments	3,553,998	7,939	3,561,937
Lease receivable	1,013,856	-	1,013,856
Internal balances	(1,400,000)	1,400,000	-
Inventory	32,686	78,343	111,029
Prepaid items	2,652	166,155	168,807
Land held for resale	271,000	-	271,000
Equity interest in joint venture	1,277,625	5,330,686	6,608,311
Capital assets (net of accumulated depreciation/amortization, where applicable)			
Land	6,860,536	759,061	7,619,597
Buildings and structures	9,650,927	-	9,650,927
Improvements other than buildings	2,733,165	190,127	2,923,292
Machinery and equipment	2,267,179	1,011,155	3,278,334
Office equipment and furnishings	215,919	-	215,919
Software	1,886	15,704	17,590
Vehicles and trailers	2,057,381	-	2,057,381
Infrastructure	32,850,012	19,827,598	52,677,610
Construction in progress	17,398,835	3,682,189	21,081,024
Leased vehicles	241,162	-	241,162
Total assets	111,686,550	39,793,205	151,479,755
<b>Deferred Outflows of Resources</b>			
Pension-related deferred outflows of resources	9,757,176	217,737	9,974,913
OPEB-related deferred outflows of resources	303,095	30,760	333,855
Total deferred outflows of resources	10,060,271	248,497	10,308,768
<b>Liabilities</b>			
Accounts and other current liabilities	2,636,010	854,653	3,490,663
Interest payable	100,087	-	100,087
Unearned revenue	112,097	-	112,097
Noncurrent liabilities			
Due within one year	1,706,555	32,828	1,739,383
Due in more than one year	9,461,342	75,987	9,537,329
Net pension liability, due in more than one year	16,372,182	737,094	17,109,276
Total OPEB liability, due in more than one year	1,658,846	168,351	1,827,197
Total liabilities	32,047,119	1,868,913	33,916,032
<b>Deferred Inflows of Resources</b>			
Pension-related deferred inflows of resources	285,341	11,121	296,462
OPEB-related deferred inflows of resources	850,416	86,306	936,722
Deferred inflows of resources related to lease receivable	999,335	-	999,335
Total deferred inflows of resources	2,135,092	97,427	2,232,519
<b>Net Position</b>			
Net investment in capital assets	62,949,446	25,321,967	88,271,413
Restricted for			
TIF projects	885,615	-	885,615
Debt service	10,025,986	-	10,025,986
Special projects	88,055	-	88,055
Unrestricted	13,615,508	12,753,395	26,368,903
Total net position	\$ 87,564,610	\$ 38,075,362	\$ 125,639,972

See notes to basic financial statements.

**City of Crystal**  
**Statement of Activities**  
**Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 2,304,721	\$ 251,089	\$ 96,996	\$ 34,390	\$ (1,922,246)	\$ -	\$ (1,922,246)
Public safety	10,325,270	597,493	726,200	6,826,342	(2,175,235)	-	(2,175,235)
Public works	4,650,024	-	13,074	1,575,239	(3,061,711)	-	(3,061,711)
Recreation	4,615,108	518,047	12,840	80,000	(4,004,221)	-	(4,004,221)
Community development	1,481,719	832,792	41,627	37,168	(570,132)	-	(570,132)
Interest on long-term debt	255,755	-	-	-	(255,755)	-	(255,755)
Total governmental activities	<u>23,632,597</u>	<u>2,199,421</u>	<u>890,737</u>	<u>8,553,139</u>	<u>(11,989,300)</u>	<u>-</u>	<u>(11,989,300)</u>
Business-type activities							
Water	3,817,096	5,032,917	546,634	-	-	1,762,455	1,762,455
Sanitary sewer	2,668,640	3,347,460	16,876	7,801	-	703,497	703,497
Storm drainage	937,050	1,365,594	87	-	-	428,631	428,631
Street lights	205,757	195,553	2	-	-	(10,202)	(10,202)
Recycling	380,318	386,375	-	-	-	6,057	6,057
Total business-type activities	<u>8,008,861</u>	<u>10,327,899</u>	<u>563,599</u>	<u>7,801</u>	<u>-</u>	<u>2,890,438</u>	<u>2,890,438</u>
 Total primary government	 <u>\$ 31,641,458</u>	 <u>\$ 12,527,320</u>	 <u>\$ 1,454,336</u>	 <u>\$ 8,560,940</u>	 <u>(11,989,300)</u>	 <u>2,890,438</u>	 <u>(9,098,862)</u>
General revenues							
Property taxes					14,175,783	-	14,175,783
Unrestricted grants and state aids					1,220,414	-	1,220,414
Unrestricted investment earnings					(605,649)	(135,363)	(741,012)
Other general revenue					135,828	-	135,828
Gain on sale of capital assets					110,986	-	110,986
Transfers					505,214	(505,214)	-
Total general revenues and transfers					<u>15,542,576</u>	<u>(640,577)</u>	<u>14,901,999</u>
Change in net position					<u>3,553,276</u>	<u>2,249,861</u>	<u>5,803,137</u>
Net position - beginning					<u>84,011,334</u>	<u>35,825,501</u>	<u>119,836,835</u>
Net position - ending					<u>\$ 87,564,610</u>	<u>\$ 38,075,362</u>	<u>\$ 125,639,972</u>

See notes to basic financial statements.

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

	General Fund	Debt Service	Street Reconstruction - Capital Projects
<b>Assets</b>			
Cash and investments	\$ 6,982,296	\$ 4,038,726	\$ 1,637,277
Temporarily restricted cash	159,774	-	-
Taxes receivable	201,944	1,524	6,337
Special assessments receivable	70,091	6,086,199	1,249,005
Accounts receivable	71,257	-	21,351
Lease receivable	1,013,856	-	-
Accrued interest	48,644	-	-
Advances to other funds	99,350	-	5,000,000
Due from other governments	42,542	-	523,621
Inventories	32,686	-	-
Prepaid items	2,652	-	-
Land held for resale	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 8,725,092</u>	<u>\$ 10,126,449</u>	<u>\$ 8,437,591</u>
<b>Liabilities</b>			
Accounts payable	\$ 187,184	\$ 376	\$ 38,137
Due to other governments	151,798	-	-
Salaries and benefits payable	405,061	-	-
Deposits payable	159,774	-	-
Advances from other funds	-	-	-
Unearned revenue	112,097	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>1,015,914</u>	<u>376</u>	<u>38,137</u>
<b>Deferred Inflows of Resources</b>			
State aid related deferred inflows of resources	-	-	523,621
Unavailable revenue - property taxes	127,811	-	6,337
Unavailable revenue - special assessments	69,939	6,074,310	1,245,931
Deferred inflows of resources related to lease receivable	999,335	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>1,197,085</u>	<u>6,074,310</u>	<u>1,775,889</u>
<b>Fund Balances</b>			
Nonspendable	35,338	-	-
Restricted	-	4,051,763	-
Committed	917,956	-	6,623,565
Assigned	-	-	-
Unassigned	5,558,799	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>6,512,093</u>	<u>4,051,763</u>	<u>6,623,565</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 8,725,092</u>	<u>\$ 10,126,449</u>	<u>\$ 8,437,591</u>

Other Governmental Funds	Total Governmental Funds
\$ 6,265,068	\$ 18,923,367
-	159,774
6,009	215,814
91,336	7,496,631
102,874	195,482
-	1,013,856
-	48,644
1,171,935	6,271,285
-	566,163
-	32,686
-	2,652
271,000	271,000
<u>\$ 7,908,222</u>	<u>\$ 35,197,354</u>
\$ 68,641	\$ 294,338
1,190	152,988
4,577	409,638
2,000	161,774
15,713	15,713
-	112,097
<u>92,121</u>	<u>1,146,548</u>
-	523,621
5,830	139,978
91,336	7,481,516
-	999,335
<u>97,166</u>	<u>9,144,450</u>
-	35,338
973,670	5,025,433
6,645,631	14,187,152
99,634	99,634
-	5,558,799
<u>7,718,935</u>	<u>24,906,356</u>
<u>\$ 7,908,222</u>	<u>\$ 35,197,354</u>



**CITY of CRYSTAL**

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

Total fund balances - governmental funds	\$ 24,906,356
--	---------------

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	94,697,252
Less accumulated depreciation/amortization	(51,121,434)

Certain revenues are include in net position but are excluded from fund balances until they are available to liquidate liabilities of the current period. Unavailable revenue relating to:

Property taxes	139,978
Special assessments	7,481,516
State shared taxes	523,621

Long-term liabilities are included in net position but are excluded from fund balances until due and payable.

Bond principal payable	(9,690,000)
Premium on debt	(314,098)
Discount on debt	3,991
Lease liability	(249,834)
Interest payable	(100,087)
Compensated absences payable	(917,956)

Governmental funds do not report long-term amounts relating to OPEB. 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 inflows of resources related to OPEB	(850,416)
Deferred outflows of resources related to OPEB	303,095
Total OPEB liability	(1,658,846)

Governmental funds do not report long-term amounts relating to pensions and OPEB. Deferred ourflows 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 inflows of resources related to pensions	(285,341)
Deferred outflows of resources related to pensions	9,757,176
Net pension liability	(16,372,182)

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Self-Insurance Internal Service Fund are included in governmental activities in the Statement of Net Position.

30,034,194

Equity interests in underlying capital assets of joint ventures associated with governmental funds are not reported in such funds because they do not represent financial assets.

Equity interest in joint venture - West Metro Fire-Rescue District	1,277,625
--	-----------

Total net position - governmental activities	<u><u>\$ 87,564,610</u></u>
--	-----------------------------

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

	General Fund	Debt Service	Street Reconstruction - Capital Projects
<b>Revenues</b>			
Property taxes	\$ 12,488,689	\$ -	\$ 245,926
Special assessments	27,431	1,437,400	411,314
Licenses and permits	850,953	-	-
Intergovernmental	1,927,302	-	590,323
Charges for services	854,019	-	-
Fine and forfeitures	184,396	-	-
Interest	(173,505)	(54,632)	(184,568)
Miscellaneous	45,972	-	574
Total revenues	<u>16,205,257</u>	<u>1,382,768</u>	<u>1,063,569</u>
<b>Expenditures</b>			
Current			
General government	2,424,851	-	-
Public safety	9,082,619	-	-
Public works	1,873,638	-	-
Recreation	3,869,267	-	-
Economic development	735,304	-	-
Debt service			
Principal	-	1,370,000	-
Interest and other charges	-	299,866	-
Capital outlay	-	-	1,132,184
Total expenditures	<u>17,985,679</u>	<u>1,669,866</u>	<u>1,132,184</u>
Excess of revenues under expenditures	(1,780,422)	(287,098)	(68,615)
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital asset	3,185	-	-
Lease issuance	14,578	-	-
Transfers in	505,214	-	-
Total other financing sources (uses)	<u>522,977</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,257,445)	(287,098)	(68,615)
<b>Fund Balances</b>			
Beginning of year	<u>7,769,538</u>	<u>4,338,861</u>	<u>6,692,180</u>
End of year	<u>\$ 6,512,093</u>	<u>\$ 4,051,763</u>	<u>\$ 6,623,565</u>



Other Governmental Funds	Total Governmental Funds
\$ 1,425,291	\$ 14,159,906
32,839	1,908,984
-	850,953
126,890	2,644,515
-	854,019
4,440	188,836
(150,102)	(562,807)
129,357	175,903
<u>1,568,715</u>	<u>20,220,309</u>
59,684	2,484,535
18,966	9,101,585
-	1,873,638
3,042	3,872,309
664,375	1,399,679
43,605	1,413,605
9,704	309,570
996,903	2,129,087
<u>1,796,279</u>	<u>22,584,008</u>
(227,564)	(2,363,699)
24,064	27,249
293,439	308,017
-	505,214
<u>317,503</u>	<u>840,480</u>
89,939	(1,523,219)
<u>7,628,996</u>	<u>26,429,575</u>
<u>\$ 7,718,935</u>	<u>\$ 24,906,356</u>



**CITY of CRYSTAL**

**City of Crystal**  
**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 \$ (1,523,219)

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	1,559,045
Depreciation/amortization expense	(3,173,697)

Revenues relating to delinquent taxes, special assessments, and State shared taxes are included in the change in net position but are excluded from the net change in fund balances until they are available to liquidate liabilities of the current period. (871,023)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds reported the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Bond principal payments and adjustments	1,370,000
Lease principal payments and adjustments	43,605

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Amortization of bond premium	41,607
Amortization of bond discount	(1,957)
Accrued interest payable	14,165
Compensated absences	39,565
OPEB expense	58,589

Pension costs in governmental funds are recognized when employer contributions are made. On the Statement of Activities pension costs are recognized on the accrual basis. The difference between actual employer contributions and accrual basis pension costs is reflected in pension expense.

Pension expense	(714,756)
-----------------	-----------

An internal service fund is used by management to charge the costs of insurance to individual funds. The change in net position of the Self-Insurance Internal Service Fund is included in governmental activities in the Statement of Net Position. 6,382,947

Net income (loss) from equity interests is included in the change in net position but is excluded from the change in fund balances.	328,405
---	---------

Change in net position - governmental activities	\$ 3,553,276
--	--------------

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 12,586,094	\$ 12,586,094	\$ 12,488,689	\$ (97,405)
Special assessments	52,000	52,000	27,431	(24,569)
Licenses and permits	850,960	850,960	850,953	(7)
Intergovernmental	1,777,489	1,777,489	1,927,302	149,813
Charges for services	862,503	862,503	854,019	(8,484)
Fine and forfeitures	275,000	275,000	184,396	(90,604)
Interest	125,000	125,000	(173,505)	(298,505)
Miscellaneous revenues	69,350	69,350	45,972	(23,378)
Total revenues	<u>16,598,396</u>	<u>16,598,396</u>	<u>16,205,257</u>	<u>(393,139)</u>
<b>Expenditures</b>				
General government				
Mayor and council	185,451	185,451	168,718	(16,733)
Administration	1,200,366	1,200,366	1,244,944	44,578
Human resources	70,093	70,093	78,197	8,104
Assessing	369,658	369,658	315,265	(54,393)
Legal	64,301	64,301	92,781	28,480
Elections	83,946	83,946	68,987	(14,959)
Finance	379,376	379,376	451,505	72,129
City buildings	-	-	4,454	4,454
Total general government	<u>2,353,191</u>	<u>2,353,191</u>	<u>2,424,851</u>	<u>71,660</u>
Public safety				
Police	6,778,530	6,778,530	7,300,915	522,385
Fire	1,737,195	1,737,195	1,781,704	44,509
Total public safety	<u>8,515,725</u>	<u>8,515,725</u>	<u>9,082,619</u>	<u>566,894</u>
Public works				
Engineering	506,144	506,144	486,431	(19,713)
Street maintenance	1,325,176	1,325,176	1,387,207	62,031
Total public works	<u>1,831,320</u>	<u>1,831,320</u>	<u>1,873,638</u>	<u>42,318</u>
Recreation				
Park maintenance	1,313,738	1,313,738	1,394,199	80,461
Forestry	94,924	94,924	80,131	(14,793)
Recreation	1,160,949	1,160,949	1,159,004	(1,945)
Community center	704,890	704,890	740,435	35,545
Waterslide/swimming pool	386,012	386,012	495,498	109,486
Total recreation	<u>3,660,513</u>	<u>3,660,513</u>	<u>3,869,267</u>	<u>208,754</u>

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

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures (Continued)</b>				
Community development				
Planning and code enforcement	\$ 742,832	\$ 742,832	\$ 735,304	\$ (7,528)
Total expenditures	17,103,581	17,103,581	17,985,679	882,098
Excess of revenues under expenditures	(505,185)	(505,185)	(1,780,422)	(1,275,237)
<b>Other Financing Sources</b>				
Proceeds from sale of capital asset	-	-	3,185	3,185
Lease issuance	-	-	14,578	14,578
Transfers in	505,185	505,185	505,214	29
Total other financing sources	505,185	505,185	522,977	17,792
Net change in fund balances	\$ -	\$ -	(1,257,445)	\$ (1,257,445)
<b>Fund Balance</b>				
Beginning of year			7,769,538	
End of year			\$ 6,512,093	

**City of Crystal**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2022**

	Water	Sewer	Storm Drainage	Streetlights
<b>Assets</b>				
Current assets				
Cash and investments (including cash equivalents)	\$ 2,600,753	\$ 504,001	\$ 850,152	\$ 859,123
Special assessment receivable	387,089	17,380	-	-
Accounts receivable	999,534	614,944	267,740	37,415
Advances to other funds	-	30,000	-	30,000
Due from other governments	7,939	-	-	-
Inventories	63,406	12,570	2,367	-
Prepaid expenses	24,639	140,656	860	-
Total current assets	4,083,360	1,319,551	1,121,119	926,538
Noncurrent assets				
Equity interest in joint venture	5,330,686	-	-	-
Advances to other funds	900,000	30,000	500,000	30,000
Capital assets				
Land	42,200	-	716,861	-
Infrastructure	4,747,988	11,240,053	17,638,264	634,133
Buildings	-	-	-	-
Improvements other than buildings	-	-	187,246	16,861
Office equipment and furnishings	-	-	-	-
Software	29,445	-	-	-
Machinery and equipment	1,918,002	490,611	11,805	-
Vehicles	-	-	-	-
Construction in progress	808,217	879,845	1,994,127	-
Total capital assets	7,545,852	12,610,509	20,548,303	650,994
Less accumulated depreciation	(3,109,621)	(5,073,683)	(7,259,941)	(426,579)
Net capital assets	4,436,231	7,536,826	13,288,362	224,415
Total noncurrent assets	10,666,917	7,566,826	13,788,362	254,415
Total assets	14,750,277	8,886,377	14,909,481	1,180,953
<b>Deferred Outflows of Resources</b>				
Pension-related deferred outflows	88,102	86,430	43,205	-
OPEB-related deferred outflows	12,304	12,304	6,152	-
Total deferred outflows of resources	100,406	98,734	49,357	-
<b>Liabilities</b>				
Current liabilities				
Accounts payable	12,760	18,443	3,273	12,694
Contracts payable	-	72,996	90,871	-
Salaries and benefits payable	11,627	11,529	5,764	-
Deposits payable	1,300	-	-	-
Advances from other funds	60,000	-	-	-
Due to other governments	613,278	68	34	-
Current compensated absences	13,131	13,131	6,566	-
Total current liabilities	712,096	116,167	106,508	12,694
Noncurrent liabilities				
Compensated absences	30,395	30,395	15,197	-
Advances from other funds	60,000	-	-	-
Net pension liability	298,247	292,588	146,259	-
Total OPEB liability	67,341	67,341	33,669	-
Total noncurrent liabilities	455,983	390,324	195,125	-
Total liabilities	1,168,079	506,491	301,633	12,694
<b>Deferred Inflows of Resources</b>				
Pension-related deferred inflows	4,500	4,414	2,207	-
OPEB-related deferred inflows	34,523	34,523	17,260	-
Total deferred inflows of resources	39,023	38,937	19,467	-
<b>Net Position</b>				
Net investment in capital assets	4,436,231	7,463,830	13,197,491	224,415
Unrestricted	9,207,350	975,853	1,440,247	943,844
Total net position	\$ 13,643,581	\$ 8,439,683	\$ 14,637,738	\$ 1,168,259

See notes to basic financial statements.

<u>Recycling Utility</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 127,514	\$ 4,941,543	\$ 5,618,019
-	404,469	-
58,603	1,978,236	-
-	60,000	-
-	7,939	2,987,835
-	78,343	-
-	166,155	-
<u>186,117</u>	<u>7,636,685</u>	<u>8,605,854</u>
-	5,330,686	-
-	1,460,000	-
-	759,061	-
-	34,260,438	-
-	-	18,932,040
-	204,107	552,237
-	-	608,395
-	29,445	165,658
-	2,420,418	4,807,130
-	-	4,058,053
-	3,682,189	17,136,743
-	41,355,658	46,260,256
-	(15,869,824)	(15,559,072)
-	25,485,834	30,701,184
-	32,276,520	30,701,184
<u>186,117</u>	<u>39,913,205</u>	<u>39,307,038</u>
-	217,737	-
-	30,760	-
-	248,497	-
16	47,186	533,989
-	163,867	1,077,615
-	28,920	-
-	1,300	-
-	60,000	85,572
-	613,380	5,668
-	32,828	-
<u>16</u>	<u>947,481</u>	<u>1,702,844</u>
-	75,987	-
-	60,000	7,570,000
-	737,094	-
-	168,351	-
-	1,041,432	7,570,000
<u>16</u>	<u>1,988,913</u>	<u>9,272,844</u>
-	11,121	-
-	86,306	-
-	97,427	-
-	25,321,967	29,623,569
<u>186,101</u>	<u>12,753,395</u>	<u>410,625</u>
<u>\$ 186,101</u>	<u>\$ 38,075,362</u>	<u>\$ 30,034,194</u>

**City of Crystal**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended December 31, 2022**

	Water	Sewer	Storm Drainage
Operating revenues			
Charges for services	\$ 5,032,917	\$ 3,347,460	\$ 1,365,594
Other revenues	274,691	13,740	87
Miscellaneous	-	3,136	-
Total operating revenues	<u>5,307,608</u>	<u>3,364,336</u>	<u>1,365,681</u>
Operating expenses			
Personal services	431,782	400,051	199,935
Other services	370,794	332,904	249,976
Supplies	91,829	54,252	24,453
Water purchases	2,727,826	-	-
Sewage disposal charges	-	1,704,607	-
Electric service	-	-	-
Recycling charges	-	-	-
Depreciation	191,265	176,826	462,686
Equipment	-	-	-
Total operating expenses	<u>3,813,496</u>	<u>2,668,640</u>	<u>937,050</u>
Operating income (loss)	1,494,112	695,696	428,631
Nonoperating revenues (expenses)			
Investment income	(61,623)	(15,245)	(41,221)
Interest expense	(3,600)	-	-
Gain on sale of capital assets	-	-	-
Net income (loss) from joint venture	271,943	-	-
Total nonoperating revenue (expenses)	<u>206,720</u>	<u>(15,245)</u>	<u>(41,221)</u>
Income before capital contributions and transfers	1,700,832	680,451	387,410
Capital contributions	-	7,801	-
Transfers out	<u>(211,367)</u>	<u>(211,367)</u>	<u>(56,876)</u>
Change in net position	1,489,465	476,885	330,534
Net position - beginning of year	<u>12,154,116</u>	<u>7,962,798</u>	<u>14,307,204</u>
Net position - end of year	<u>\$ 13,643,581</u>	<u>\$ 8,439,683</u>	<u>\$ 14,637,738</u>



Streetlights	Recycling Utility	Totals	Governmental Activities - Internal Service Funds
\$ 195,553	\$ 386,375	\$ 10,327,899	\$ 2,363,779
2	-	288,520	-
-	-	3,136	128,870
<u>195,555</u>	<u>386,375</u>	<u>10,619,555</u>	<u>2,492,649</u>
-	-	1,031,768	-
30,810	63	984,547	1,155,156
-	-	170,534	23,633
-	-	2,727,826	-
-	-	1,704,607	-
142,398	-	142,398	-
-	380,255	380,255	-
32,549	-	863,326	1,336,464
-	-	-	461,686
<u>205,757</u>	<u>380,318</u>	<u>8,005,261</u>	<u>2,976,939</u>
(10,202)	6,057	2,614,294	(484,290)
(14,820)	(2,454)	(135,363)	(42,842)
-	-	(3,600)	-
-	-	-	83,737
-	-	271,943	-
<u>(14,820)</u>	<u>(2,454)</u>	<u>132,980</u>	<u>40,895</u>
(25,022)	3,603	2,747,274	(443,395)
-	-	7,801	6,826,342
<u>(16,098)</u>	<u>(9,506)</u>	<u>(505,214)</u>	<u>-</u>
(41,120)	(5,903)	2,249,861	6,382,947
<u>1,209,379</u>	<u>192,004</u>	<u>35,825,501</u>	<u>23,651,247</u>
<u>\$ 1,168,259</u>	<u>\$ 186,101</u>	<u>\$ 38,075,362</u>	<u>\$ 30,034,194</u>

**City of Crystal**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2022**

	Water	Sewer	Storm Drainage	Street Lights
<b>Cash Flows - Operating Activities</b>				
Receipts from customers	\$ 5,253,366	\$ 3,296,925	\$ 1,338,599	\$ 192,407
Interfund services provided and used	-	-	-	-
Payments to suppliers	(2,941,451)	(2,177,101)	(164,499)	(171,532)
Payments to employees	(421,780)	(390,454)	(195,271)	-
Miscellaneous revenue	-	-	-	-
Net cash flows - operating activities	<u>1,890,135</u>	<u>729,370</u>	<u>978,829</u>	<u>20,875</u>
<b>Cash Flows - Noncapital Financing Activities</b>				
Transfer to other funds	<u>(211,367)</u>	<u>(211,367)</u>	<u>(56,876)</u>	<u>(16,098)</u>
<b>Cash Flows - Capital and Related Financing Activities</b>				
Payments made on advance to other funds	(960,000)	-	(500,000)	-
Receipts from advance from other funds	-	30,000	-	30,000
Receipts from special assessments	-	11,945	-	-
Payments on special assessments	(2,474)	-	-	-
Interest paid on debt	(3,600)	-	-	-
Proceeds from disposal of capital assets	-	-	-	-
Grants and contributions	-	-	-	-
Acquisition of capital assets	<u>(775,167)</u>	<u>(1,034,951)</u>	<u>(1,999,081)</u>	<u>-</u>
Net cash flows - capital and related financing activities	<u>(1,741,241)</u>	<u>(993,006)</u>	<u>(2,499,081)</u>	<u>30,000</u>
<b>Cash Flows - Investing Activities</b>				
Interest and dividends received	<u>(61,623)</u>	<u>(15,245)</u>	<u>(41,221)</u>	<u>(14,820)</u>
Net change in cash and cash equivalents	(124,096)	(490,248)	(1,618,349)	19,957
Cash and cash equivalents, January 1	<u>2,724,849</u>	<u>994,249</u>	<u>2,468,501</u>	<u>839,166</u>
Cash and cash equivalents, December 31	<u>\$ 2,600,753</u>	<u>\$ 504,001</u>	<u>\$ 850,152</u>	<u>\$ 859,123</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>				
Operating income (loss)	<u>\$ 1,494,112</u>	<u>\$ 695,696</u>	<u>\$ 428,631</u>	<u>\$ (10,202)</u>
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation expense	191,265	176,826	462,686	32,549
Accounts receivable	(123,445)	(67,411)	(27,082)	(3,148)
Due from other governments	69,203	-	-	-
Prepaid items	(1,282)	(139,530)	31,409	-
Inventory	(25,130)	(4,895)	(248)	-
Accounts payable	(36,239)	(13,918)	(2,674)	1,676
Contracts payable	-	72,996	81,438	-
Due to other governmental units	312,949	9	5	-
Salaries payable	436	338	168	-
Deposits payable	(1,300)	-	-	-
OPEB	(4,518)	(3,100)	(1,601)	-
Pension related activity	15,862	14,137	6,986	-
Compensated absences payable	<u>(1,778)</u>	<u>(1,778)</u>	<u>(889)</u>	<u>-</u>
Total adjustments	<u>396,023</u>	<u>33,674</u>	<u>550,198</u>	<u>31,077</u>
Net cash flows - operating activities	<u>\$ 1,890,135</u>	<u>\$ 729,370</u>	<u>\$ 978,829</u>	<u>\$ 20,875</u>
<b>Noncash Capital and Related Financing Activities</b>				
Net income (loss) from joint venture	<u>\$ 271,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements.

Recycling Utility	Totals	Internal Service Funds
\$ 376,275	\$ 10,457,572	\$ -
-	-	(587,964)
(380,349)	(5,834,932)	(2,452,357)
-	(1,007,505)	-
-	-	92,778
<u>(4,074)</u>	<u>3,615,135</u>	<u>(2,947,543)</u>
 (9,506)	 (505,214)	 -
-	(1,460,000)	-
-	60,000	7,655,572
-	11,945	-
-	(2,474)	-
-	(3,600)	-
-	-	303,940
-	-	6,826,342
-	(3,809,199)	(12,176,193)
<u>-</u>	<u>(5,203,328)</u>	<u>2,609,661</u>
 (2,454)	 (135,363)	 (42,842)
(16,034)	(2,228,770)	(380,724)
<u>143,548</u>	<u>7,170,313</u>	<u>5,998,743</u>
<u>\$ 127,514</u>	<u>\$ 4,941,543</u>	<u>\$ 5,618,019</u>
 \$ 6,057	 \$ 2,614,294	 \$ (484,290)
-	863,326	1,336,464
(10,100)	(231,186)	-
-	69,203	(2,987,835)
-	(109,403)	-
-	(30,273)	-
(31)	(51,186)	(815,707)
-	154,434	-
-	312,963	3,825
-	942	-
-	(1,300)	-
-	(9,219)	-
-	36,985	-
-	(4,445)	-
<u>(10,131)</u>	<u>1,000,841</u>	<u>(2,463,253)</u>
<u>\$ (4,074)</u>	<u>\$ 3,615,135</u>	<u>\$ (2,947,543)</u>
 \$ -	 \$ 271,943	 \$ -

**City of Crystal**  
**Statement of Fiduciary Net Position**  
**December 31, 2022**

	Hennepin Recycling Group Custodial Fund
<b>Assets</b>	
Cash and investments (including cash equivalents)	\$ 428,417
<b>Liabilities</b>	
Accounts payable	\$ 100,957
Due to other governments	88,280
Total liabilities	\$ 189,237
<b>Net Position</b>	
Held in custody for other governmental units	\$ 314,266

**Statement of Changes Fiduciary Net Position**  
**Year Ended December 31, 2022**

	Hennepin Recycling Group Custodial Fund
<b>Additions</b>	
Charges for services	\$ 1,024,148
Investment income	(10,342)
Intergovernmental	152,562
Refunds and reimbursements	483
Other income	318,074
Total additions	1,484,925
<b>Deductions</b>	
Recycling services	\$ 1,266,406
Administrative and grant services	21,015
Other contract and professional services	95,895
Office supplies	8,936
Rentals	19,131
Total deductions	1,411,383
Change in net position	73,542
<b>Net Position</b>	
Beginning of year	240,724
End of year	\$ 314,266

**City of Crystal**  
**Notes to Basic Financial Statements**

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

**A. Reporting Entity**

The City of Crystal (the City) operates under the Home Rule Charter form of government in accordance with applicable State of *Minnesota Statutes*. The charter prescribes a Council-Manager form of organization. The governing body consists of a seven-member City Council elected at large to serve four-year staggered terms.

The accompanying financial statements present the activities of the government. Certain organizations have been defined in accordance with GASB Statement No. 14 and are presented in this report as follows:

**1. Blended Component Units**

Blended component units, although legally separate entities, are, in substance, part of the government's operations. The City has one blended component unit which is reported as if it were part of the City.

The Economic Development Authority (EDA), in and for the City, was created by the City to provide housing and redevelopment assistance through the administration of various programs. It levies taxes to provide funds for redevelopment in the City.

Although the EDA is legally separate from the City, it is reported as if it were part of the primary government. Its governing board is comprised of the City Council members and the City has operational responsibility of the EDA, meaning it manages the EDA's activities in essentially the same manner in which it manages its own programs and departments. The EDA is reported as a special revenue fund. It does not issue a separate set of financial statements.

**2. Joint Ventures**

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control. The participants retain either an ongoing financial interest or an ongoing financial responsibility. The City participates in two joint ventures – the Golden Valley, Crystal, New Hope Joint Water Commission, and the West Metro Fire-Rescue District. Descriptions and other financial information for these organizations are included in the note entitled Joint Ventures and Jointly Governed Organizations.

**3. Jointly Governed Organizations**

The City has several agreements with governmental and other entities that provide reduced costs, better service, and additional benefits to participants. The various programs in which the City participates in are described in the note entitled Joint Ventures and Jointly Governed Organizations.

**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 non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for sales and/or services and fees.

**City of Crystal**  
**Notes to Basic Financial Statements**

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

**B. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

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. The City does not allocate indirect expenses. 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, 2) operating grants and contributions restricted to meeting the operational requirements of a particular function, and 3) capital grants and contributions restricted to meeting the capital requirements of a particular function, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions (i.e., interfund services provided and used) are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately under governmental activities on the Statement of Activities.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. Major revenues susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services, and investment earnings. Major revenues not susceptible to accrual include licenses, permits, inspection fees, and miscellaneous revenues. Such revenues are recorded only as received because they are not measurable until collected. Issuance of bonds and proceeds from sale of property and equipment are reported as other financing sources.

**City of Crystal**  
**Notes to Basic Financial Statements**

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

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

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.

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

The Custodial Fund is presented in the fiduciary fund financial statements. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the City, this fund is not incorporated into the government-wide statements. This fund uses the economic resources measurement focus and the accrual basis of accounting.

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

**Description of Funds:**

The government reports the following major governmental funds:

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

Debt Service – This fund accounts for resources accumulated, and payments made, for principal and interest on long-term general obligation debt and tax increment revenue notes of governmental funds.

Street Reconstruction – Capital Projects – This fund is used to account for ongoing street reconstruction projects in the City. The City has been divided into a total of sixteen reconstruction phases.

The government reports the following major proprietary funds:

Water Fund – This fund accounts for the provision of water to residents and customers of the City. The cities of Crystal, Golden Valley, and New Hope established a joint water commission in 1963 to provide for the creation and maintenance of a joint water supply, storage, and distribution system through which water purchased from the City of Minneapolis can be supplied to the population of the member cities.

**City of Crystal**  
**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)**

The government reports the following major proprietary funds: (Continued)

Sanitary Sewer Fund – This fund accounts for the collection and pumping of sanitary sewage through a system of sewer lines and lift stations. Sewage is treated by Metropolitan Council Environmental Services (MCES).

Storm Drainage Fund – This fund accounts for the operation, maintenance, and improvement of the City's storm drainage system.

Streetlights Fund – This fund accounts for the operation, maintenance, and improvement of the City's street lights.

Recycling Fund – This fund accounts for the provision of recycling services to residents and customers of the City. Recycling services are provided by Hennepin Recycling Group (HRG).

Additionally, the government reports the following fund types:

Internal Service Funds are used to account, on a cost-reimbursement basis, for the financing of uninsured risks of loss (self-insurance), fleet, information technology, and City buildings. Related services are provided to other departments of the City.

The Fiduciary Fund accounts for the collection, recycling, and disposal of solid waste activities of Hennepin Recycling Group (HRG), a jointly-governed organization in which the City participates.

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

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be change funds, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are combined and invested to the extent available in authorized investments (refer to note entitled Deposits and Investments). Earnings from such investments are allocated to respective funds on the basis of applicable cash balance participation by each fund.

Certain investments for the City are reported at fair value as disclosed in Note 2. 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 Crystal**  
**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)**

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. Temporarily Restricted Cash**

A portion of Cash is reported as temporarily restricted in an amount equal to the balance reported in Deposits Payable of the General Fund. The amount represents funds collected as surety on site improvements in progress within the City. Once site improvements have been satisfactorily completed in accordance with terms of individual agreements, individual amounts will be released.

**3. Receivables**

All utility and miscellaneous accounts receivable are reported gross. Since most uncollectible accounts are able to be certified to Hennepin County for collection with property taxes, no allowance for uncollectible accounts has been provided.

**4. Property Taxes**

Property tax levies are set by the City Council in December of each year and are certified to Hennepin County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Such taxes become a lien on January 1. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments by May 15 and October 15 of each year. Personal property taxes may be paid by February 28 and June 30 of each year. The County provides tax settlements to cities and other taxing districts three times a year – in July, December, and January of the following year.

In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes receivable. They are fully offset by a deferred inflow of resources because they are not known to be available to finance current expenditures.

**City of Crystal**  
**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. Special Assessments**

In accordance with state statutes, special assessments are levied against benefited properties for the assessable costs of improvement projects. The City normally adopts an assessment roll at the time an individual project is started. Assessments are collectible over a term of years generally consistent with the term of years of the related bond issue. The County handles collection of annual installments, including interest, in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

In the fund financial statements, special assessments receivable include the following components, and are offset by a deferred inflow of resources:

- Delinquent – Amounts billed to property owners but not yet paid
- Deferred – Installments that will be billed to property owners in future years.

**6. Inventories**

Fuel inventory recorded in the General Fund and parts inventories recorded in the enterprise funds are valued at cost using the first-in/first-out (FIFO) method. The cost of inventories is recorded using the consumption method, where costs are recorded as expenditures/expenses when consumed rather than when purchased.

**7. Prepaid Items**

Prepaid items in the government-wide and fund financial statements reflect costs paid to vendors that are applicable to future accounting periods. The cost of prepaid items is recorded using the consumption method, where costs are recorded as expenditures when consumed rather than when purchased.

**8. Land Held for Resale**

The Crystal EDA acquires properties for redevelopment purposes. Land held for resale is reported as an asset at its net realizable value in the EDA Special Revenue Fund. Any costs incurred that are above a property's net realizable value are reported as expenditures of the current period.

**9. Interfund Receivables and Payables**

Activities between funds that are representative of lending and borrowing arrangements are referred to at year-end as advances to/from other funds. The current and noncurrent portions are reported on the Statement of Fund Net Position for the proprietary funds.

All other outstanding balances between funds are reported as due to/from other funds.

**City of Crystal**  
**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)**

**10. Capital Assets**

Capital assets, both tangible and intangible, which include land, buildings, and structures, improvements other than buildings, machinery, and equipment, office equipment and furnishings, software, vehicles and trailers, and infrastructure (utility systems, traffic and transportation systems, and park systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

With the initial capitalization of infrastructure assets of governmental activities, as required by the implementation of GASB Statement No. 34, the City chose to include all such items, regardless of acquisition date. Historical costs were available from an independent, city-wide asset valuation that had been completed in 1992, as well as from contractor invoices for street reconstruction projects completed subsequent to 1992.

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

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Interest is not being capitalized on construction projects.

Tangible and intangible capital assets of the City are depreciated using the straight-line, mid-month convention. In instances in which estimated useful lives have been revised to more closely approximate historical experience, depreciation is calculated by taking the net remaining value over the remaining life (prospectively). Estimated useful lives are as follows:

Classification	Years
Buildings and structures	5-50
Improvements other than buildings	5-40
Machinery and equipment	5-30
Office equipment and furnishings	5-20
Software	5
Vehicles and trailers	3-12
Infrastructure	
Utility systems	25-75
Traffic and transportation systems	10-30
Park systems	15-20

**City of Crystal**  
**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)**

**11. Fund Balance Classifications**

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

- **Nonspendable Fund Balance** – These are resources that cannot be spent because they are either not readily convertible to cash or are legally or contractually required to be maintained intact. Examples include money held in escrow, prepaid amounts, land held for resale, and long-term loans or notes receivable.
- **Restricted Fund Balance** – These are resources whose spending is constrained externally by creditors or by laws and regulations of another government. Examples include grants, intergovernmental revenues, and resources in debt service funds that include a legally enforceable requirement that those resources be spent only for specific purposes.
- **Committed Fund Balance** – These are resources that can only be used for specific purposes established by the City Council. Establishment of these specific purposes must be done by a resolution adopted by the City Council and may only be changed or removed by a resolution adopted by the City Council.
- **Assigned Fund Balance** – These are resources that the City intends to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are established by a motion of the City Council. The City Council may also delegate this authority to the City Manager, who may act upon recommendation of the Finance Director.
- **Unassigned Fund Balance** – These are resources that are available for any purpose of the fund. Amounts identified as cash flow resources are classified as unassigned. Only the General Fund may have a positive unassigned fund balance. A deficit fund balance in any fund must be classified as an unassigned fund balance.

When multiple classifications of resources are available for use, it is the City's policy to first use restricted resources if permitted, then committed, assigned, or unassigned resources. It is the City's policy to retain in fund balance resources that have the lowest level of constraints possible.

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

**City of Crystal**  
**Notes to Basic Financial Statements**

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

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

**11. Fund Balance Classifications (Continued)**

The policy states that when fund balance at the end of a year exceeds non-spendable fund balance, restricted fund balance, liability for compensated absences of employees, assigned fund balance, and 45% of the subsequent year's budget, the City Council shall consider transferring at least 25% of the excess fund balance to one of the capital project funds. At any time during the year the City Council may consider transferring any or all of the excess fund balance to any other fund of the City, as needed.

**12. Compensated Absences**

The City compensates all employees for unused vacation hours upon termination. Eligible employees are compensated for accrued compensatory hours upon termination. Employees terminating their employment with the City after ten or more continuous years of service are compensated for 40% of their accumulated sick leave hours at their current base hourly rate of pay. The maximum amount of accrued sick leave hours that may be converted is 960.

Accumulated or vested vacation, compensatory, and sick time estimated to be payable as termination pay is accrued as incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**13. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and 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.

**14. Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 that time. The City has one item that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statement of Net Position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

**City of Crystal**  
**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. Deferred Inflows of Resources (Continued)**

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 has four items that qualify for reporting in this category: 1) The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources, including property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. 2) The City presents deferred inflows of resources on the Statement of Net Position for pension and OPEB-related deferred inflows of resources. Pension and OPEB related deferred inflows of resources result from various estimate differences that will be amortized and recognized over future years. 3) At the fund level, grants received for subsequent years are presented as deferred inflows of resources as time requirements have not been met. 4) Deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet.

**16. 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 of Minnesota (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.

**17. Statement of Cash Flows**

For purpose of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The proprietary fund's equity in the government-wide cash and investment management pool is considered to be cash equivalents.

**18. Budgets and Budgetary Accounting**

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

- Prior to each September 15, the City Manager submits to the City Council proposed operating budgets for the fiscal year commencing the following January. The operating budgets include proposed expenditures and the means of financing them.

**City of Crystal**  
**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)**

**18. Budgets and Budgetary Accounting (Continued)**

- In November, the County mails individual property tax notices to residents showing the taxes that would result from the proposed budgets of all taxing units within the City.
- Prior to proposed budgets being approved, public hearings are conducted to obtain taxpayer comments.
- In December, final budgets are legally enacted by the City Council through passage of a resolution.
- During the budget year, the City Council must authorize any transfer of budgeted amounts between departments within the General Fund. City management may authorize a transfer of budgeted amounts within individual departments without obtaining approval from the City Council.
- Supplemental appropriations during the year may only be made by the City Council. These amounts must be financed by funds from the contingency reserve set up in the General Fund or by additional revenues.
- All budget amounts lapse at the end of the year to the extent they have not been expended.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The City budgets for its General Fund, EDA Special Revenue Fund, TIF Special Revenue Fund, and the following capital projects funds, Street Reconstruction, Police Equipment Revolving, and Park Improvement. The budgets are adopted on a modified accrual basis.
- Budgetary control is maintained at the department level for the General Fund and at the fund level for all other funds that adopt annual budgets. City management must request approval from the City Council before exceeding budget at the applicable level.

**19. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide financial statements. The net investment in capital assets portion of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**City of Crystal**  
**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)**

**20. Use of Estimates**

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

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

In accordance with *Minnesota Statutes*, the City maintains deposits at national or state banks within the state, as authorized by the City Council. The following is considered to be the most significant risk associated with deposits:

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the deposits may be lost.

*Minnesota Statutes* require that all City deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. During the year, all deposits and investments were collateralized in accordance with these provisions. The City has no additional deposit policies addressing custodial credit risk for deposits.

At year-end, the City's carrying amount of deposits was \$3,002,571 and the bank balance was \$3,086,701. All of the bank balance was covered by FDIC insurance or collateralized by pledged collateral held in the City's name at Wells Fargo.

The City's policy is to comply with *Minnesota Statutes*, which require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral.



**City of Crystal**  
**Notes to Basic Financial Statements**

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

**B. Investments**

The City has a formal investment policy to establish guidelines for the prudent investment of City funds. Funds of the City will be invested in compliance with the provisions of *Minnesota Statutes* Chapter 118A. Allowable investments include the following:

- Bonds, notes, bills, mortgages, and other securities that are direct obligations or are guaranteed or insured issues of the United States, its agencies, instrumentalities, or organizations created by Congress.
- State and local securities, including:
  - Any security that is a general obligation of any state or local government with taxing powers and is rated "A" or better by a national bond rating agency
  - Any security that is a revenue obligation of any state or local government with taxing powers and is rated "AA" or better by a national bond rating agency
- Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and that matures in 270 days or less.
- Time deposits that are fully insured by the Federal Depository Insurance Corporation.
- Bankers' acceptances of United States banks.
- Money market mutual funds.
- Government investment pools, including the Minnesota Municipal Money Market Fund.

As of December 31, 2022, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities		
		Less than One Year	1-5 Years	6-10 Years
Brokered certificates of deposit	\$ 14,557,361	\$ 3,542,443	\$ 10,497,701	\$ 517,217
State and local government bonds	2,045,637	-	2,045,637	-
Money market accounts	10,463,482	10,463,482	-	-
Total	<u>\$ 27,066,480</u>	<u>\$ 14,005,925</u>	<u>\$ 12,543,338</u>	<u>\$ 517,217</u>

Interest Rate Risk: This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City's investment policy states that "the City will minimize Interest Rate Risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations."

**City of Crystal**  
**Notes to Basic Financial Statements**

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

**B. Investments (Continued)**

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This risk is addressed by confining investments to those securities specifically authorized by state statute and the City's investment policy. As of December 31, 2022, the City's investments in U.S. Agencies were rated AA+ by Standard and Poor's. The City's investments in G.O. state and local government bonds were rated AAA by Standard and Poor's. The City's investments in certificates of deposit were covered by FDIC insurance.

**Custodial Credit Risk – Investments:** This is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments that are in the possession of an outside party. The City's investment policy states that the bank or broker is required to have insurance through FDIC and SIPC or transfer the security to a custodian bank.

**Concentration of Credit Risk:** This is the risk associated with investing a significant portion of the City's investments (considered to be 5% or more) in the securities of a single issuer. The City's investment policy does not limit investments in any one issuer.

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

- \$16,602,998 of investments are valued using a matrix pricing model (Level 2 inputs)

The following summary reconciles cash and investments to the financial statements:

Cash on hand	\$ 2,069
Carrying amount of deposits	3,002,571
Carrying amount of investments	<u>27,066,480</u>
Total	<u><u>\$ 30,071,120</u></u>
Statement of Net Position	
Cash and investments	\$ 29,482,929
Cash with fiscal agent	159,774
Statement of Fiduciary Net Position	
Cash and investments	<u>428,417</u>
Total deposits and investments	<u><u>\$ 30,071,120</u></u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES**

**Advances to/from Other Funds**

Balances as of December 31, 2022, are as follows:

Receivable Fund	Payable Fund	Original Amount	Amount Outstanding	Due Within One Year
General	Other Governmental Funds	\$ 13,778	\$ 13,778	\$ 13,778
General	Internal Service Funds	85,572	85,572	85,572
Street Reconstruction	Internal Service Funds	5,000,000	5,000,000	-
Other Governmental Funds	Internal Service Funds	1,170,000	1,170,000	-
Other Governmental Funds	Other Governmental Funds	1,935	1,935	-
Water	Internal Service Funds	900,000	900,000	-
Storm Water	Internal Service Funds	500,000	500,000	-
Sanitary Sewer	Water	300,000	60,000	30,000
Streetlights	Water	300,000	60,000	30,000
Total		<u>\$ 8,271,285</u>	<u>\$ 7,791,285</u>	<u>\$ 159,350</u>

Internal loans to the City Buildings Internal Service Fund totaling \$7,570,000 were made to provide sufficient cash to pay for the renovation and construction costs of the police department facility. It is projected that these funds would be able to repay the loans with zero percent interest by 2032. There is a \$1,935 interfund loan between nonmajor governmental funds for tax increment financing purposes. Amounts payable to the Sanitary Sewer and Street Lights funds relate to loans made to help pay for the City's share of three new emergency water supply wells. The wells will be owned by the Joint Water Commission (refer to NOTE 13). The City's share of the total cost will be approximately \$1,200,000. The Water Fund has sufficient resources to pay for half of the project and the interfund loans will provide cash for the balance. Interest at the rate of 2% will be paid on the loans over a ten-year period, from 2015-2024. To provide the Water Fund with revenue to replenish its cash reserves and repay the loans, a charge for service of \$0.21/thousand gallons of water used has been approved and implemented.

**NOTE 4 – INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2022, are as follows:

Transfers Out	Transfers In General
Water	\$ 211,367
Sanitary sewer	211,367
Storm drainage	56,876
Streetlights	16,098
Recycling	9,506
Total	<u>\$ 505,214</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 4 – INTERFUND TRANSFERS (CONTINUED)**

Transfers are used to; 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and, 2) assist with capital needs.

**NOTE 5 – LEASE RECEIVABLE**

The City has various leases for land and site agreements. The lease agreements include annual principal and interest payments. Interest and discount rates on the lease agreements range from 1.52% to 1.75%. Revenue from these leases for the year ended December 31, 2022, was \$73,104.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 6 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 6,860,536	\$ -	\$ -	\$ 6,860,536
Construction in progress	5,588,836	11,844,999	(35,000)	17,398,835
Total capital assets not being depreciated	12,449,372	11,844,999	(35,000)	24,259,371
Other capital assets				
Buildings and structures	20,099,066	-	-	20,099,066
Improvements other than buildings	7,098,607	35,000	-	7,133,607
Machinery and equipment	7,061,129	137,181	(337,341)	6,860,969
Office equipment and furnishings	1,037,420	-	-	1,037,420
Software	312,937	-	-	312,937
Vehicles and trailers	4,315,286	808,889	(347,837)	4,776,338
Traffic and transportation systems	69,999,114	1,208,055	-	71,207,169
Park systems	5,002,340	-	(25,148)	4,977,192
Leased vehicles	-	293,439	-	293,439
Total other capital assets at historical cost	114,925,899	2,482,564	(710,326)	116,698,137
Less accumulated depreciation for				
Buildings and structures	(9,837,609)	(610,530)	-	(10,448,139)
Improvements other than buildings	(4,156,465)	(243,977)	-	(4,400,442)
Machinery and equipment	(4,296,551)	(438,623)	141,384	(4,593,790)
Office equipment and furnishings	(751,390)	(70,111)	-	(821,501)
Software	(309,165)	(1,886)	-	(311,051)
Vehicles and trailers	(2,633,699)	(408,849)	323,591	(2,718,957)
Traffic and transportation systems	(40,204,925)	(2,440,403)	-	(42,645,328)
Park systems	(470,664)	(243,505)	25,148	(689,021)
Less accumulated amortization for				
Leased vehicles	-	(52,277)	-	(52,277)
Total accumulated depreciation and amortization	(62,660,468)	(4,510,161)	490,123	(66,680,506)
Total other capital assets, net	52,265,431	(2,027,597)	(220,203)	50,017,631
Governmental activities capital assets, net	<u>\$ 64,714,803</u>	<u>\$ 9,817,402</u>	<u>\$ (255,203)</u>	<u>\$ 74,277,002</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 759,062	\$ -	\$ -	\$ 759,062
Improvements other than buildings	187,246	-	-	187,246
Construction in progress	362,806	3,620,406	(301,023)	3,682,189
Total capital assets not being depreciated	1,309,114	3,620,406	(301,023)	4,628,497
Other capital assets				
Improvements other than buildings	16,861	-	-	16,861
Machinery and equipment	2,231,625	188,793	-	2,420,418
Software	29,445	-	-	29,445
Utility systems	32,589,263	301,023	-	32,890,286
Traffic and transportation systems	1,370,151	-	-	1,370,151
Total capital assets being depreciated	36,237,345	489,816	-	36,727,161
Less accumulated depreciation for				
Improvements other than buildings	(13,137)	(843)	-	(13,980)
Machinery and equipment	(1,299,963)	(109,300)	-	(1,409,263)
Software	(7,852)	(5,889)	-	(13,741)
Utility systems	(13,304,653)	(715,588)	-	(14,020,241)
Traffic and transportation systems	(380,893)	(31,706)	-	(412,599)
Total accumulated depreciation	(15,006,498)	(863,326)	-	(15,869,824)
Total other capital assets, net	21,230,847	(373,510)	-	20,857,337
Business-type activities capital assets, net	\$ 22,539,961	\$ 3,246,896	\$ (301,023)	\$ 25,485,834

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense was charged to the various functions of the City as follows:

Governmental activities	
General government	\$ 234,406
Public safety	681,093
Public works	2,653,765
Parks and recreation	895,641
Community development	<u>45,256</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 4,510,161</u></u>
Business-type activities	
Water	\$ 191,265
Sanitary sewer	176,826
Storm drainage	462,686
Street light	<u>32,549</u>
Total depreciation expense - business-type activities	<u><u>\$ 863,326</u></u>

**NOTE 7 – LONG-TERM DEBT**

**A. General Obligation Bonds**

The government issues general obligation (G.O.) bonds (including certificates of indebtedness), tax increment bonds, and special assessment bonds to provide funding for the acquisition of capital assets, tax increment projects, and street improvements, respectively. G.O. bonds are direct obligations and pledge the full faith and credit of the government.

**B. Components of Long-Term Liabilities**

	Issue Date	Interest Rates	Original Issue	Final Maturity	Balance End of Year
Governmental activities					
Special Assessment Bonds					
G.O. Improvement Bonds, Series 2009A	08/01/09	2.00%-4.50%	\$ 3,360,000	02/01/25	\$ 160,000
G.O. Improvement Bonds, Series 2011A	08/01/11	0.50%-3.55%	1,705,000	02/01/27	470,000
G.O. Improvement Bonds, Series 2012A	08/01/12	1.50%-2.13%	2,635,000	02/01/28	915,000
G.O. Improvement Bonds, Series 2013A	08/01/13	2.00%-3.50%	3,235,000	02/01/29	1,390,000
G.O. Improvement Bonds, Series 2015A	08/01/15	2.50%-3.00%	2,550,000	02/01/31	1,400,000
G.O. Improvement Bonds, Series 2016A	08/25/16	2.00%-2.50%	3,330,000	02/01/32	2,075,000
G.O. Improvement Bonds, Series 2017A	09/14/17	2.00%-3.00%	4,665,000	02/01/33	<u>3,280,000</u>
Subtotal bonds payable					<u>9,690,000</u>
Lease liability					249,834
Unamortized bond premiums/discounts					310,107
Compensated absences payable					<u>917,956</u>
Total governmental activities					<u><u>\$ 11,167,897</u></u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

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

Interest paid on most of the debt issued by the City is exempt from federal income tax. As a result, purchasers of this debt are willing to accept lower interest rates than they would on taxable debt. The City pools the proceeds of bond issues held in construction funds and the accumulated cash in debt service funds with all other available cash and invests it according to the City's cash management policies and practices. This sometimes produces a higher yield on the investments than is being paid on the related debt. The federal tax code refers to this higher yield as arbitrage. Under certain circumstances the earnings from these higher yields must be rebated to the federal government. Federal law requires that arbitrage be calculated and rebated at the end of each five-year period that tax exempt debt is outstanding, as well as at maturity. The City does not report arbitrage until the liability is due and payable.

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

	Beginning Balance	Additions	Retirements and Other Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. Special Assessment Bonds					
with Government Commitment					
Improvement Bonds - 2009A	\$ 320,000	\$ -	\$ (160,000)	\$ 160,000	\$ 160,000
Improvement Bonds - 2011A	575,000	-	(105,000)	470,000	100,000
Improvement Bonds - 2012A	1,080,000	-	(165,000)	915,000	165,000
Improvement Bonds - 2013A	1,605,000	-	(215,000)	1,390,000	210,000
Improvement Bonds - 2015A	1,575,000	-	(175,000)	1,400,000	170,000
Improvement Bonds - 2016A	2,310,000	-	(235,000)	2,075,000	230,000
Improvement Bonds - 2017A	3,595,000	-	(315,000)	3,280,000	315,000
	<u>11,060,000</u>	<u>-</u>	<u>(1,370,000)</u>	<u>9,690,000</u>	<u>1,350,000</u>
Bond premiums	355,705	-	(41,607)	314,098	-
Bond discounts	(5,948)	-	1,957	(3,991)	-
Subtotal	<u>11,409,757</u>	<u>-</u>	<u>(1,409,650)</u>	<u>10,000,107</u>	<u>1,350,000</u>
Total bonds payable	11,409,757	-	(1,409,650)	10,000,107	1,350,000
Lease liability	-	293,439	(43,605)	249,834	31,571
Compensated absences payable	<u>957,521</u>	<u>813,321</u>	<u>(852,886)</u>	<u>917,956</u>	<u>324,984</u>
Governmental activity					
long-term liabilities	<u>\$ 12,367,278</u>	<u>\$ 1,106,760</u>	<u>\$ (2,306,141)</u>	<u>\$ 11,167,897</u>	<u>\$ 1,706,555</u>
Business-type activities					
Compensated absences payable	<u>\$ 113,260</u>	<u>\$ 62,584</u>	<u>\$ (67,029)</u>	<u>\$ 108,815</u>	<u>\$ 32,828</u>



**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

**D. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term liabilities:

Year Ending December 31,	Governmental Activities		Governmental Activities	
	G.O. Improvement Bonds		Lease Liability	
	Principal	Interest	Principal	Interest
2023	\$ 1,350,000	\$ 248,184	\$ 31,571	\$ 15,727
2024	1,165,000	213,971	85,286	10,911
2025	1,150,000	182,765	89,168	5,476
2026	1,120,000	152,056	39,927	1,059
2027	1,090,000	122,151	3,882	7
2028-2032	3,535,000	255,719	-	-
2033	280,000	4,200	-	-
Total	<u>\$ 9,690,000</u>	<u>\$ 1,179,046</u>	<u>\$ 249,834</u>	<u>\$ 33,180</u>

Total delinquent special assessments receivable for all funds for the years ending December 31, 2022 and 2021, were \$312,590 and \$397,522, respectively.

Compensated absences are liquidated by the General, EDA, Water, Sanitary Sewer, or Storm Drainage funds, depending upon where employees' time is assigned.

**E. Lease Liability**

The City entered into lease agreements for various vehicles. The lease agreements include annual principal and interest payments as noted above. Interest and discount rates on the lease agreements range from 4.85% to 7.75%.

**NOTE 8 – CONDUIT DEBT OBLIGATIONS**

From time to time the City has issued revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. Neither the City or the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 8 – CONDUIT DEBT OBLIGATIONS (CONTINUED)**

As of December 31, 2022, there were two debt issues outstanding. The aggregate original issue amounts and principal balances outstanding as of December 31, 2022, are as follows:

Name of Issue	Year	Original Issue	Principal Balance
LOGIS Government Facilities Revenue Bonds	2006	\$ 6,000,000	\$ 1,723,079
Crystal Leased Housing Multi Family Housing	2014	14,300,000	13,050,000
Total		<u>\$ 20,300,000</u>	<u>\$ 14,773,079</u>

**NOTE 9 – PENSION PLANS**

The City participates in various pension plans, total pension expense for the year ended December 31, 2022, was \$1,870,364. The components of pension expense are noted in the following plan summaries.

The General Fund, Water Fund, Sewer Fund, and Storm Drainage Fund typically liquidate the liability related to 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.

**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.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**B. Benefits Provided (Continued)**

**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.

**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.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**C. Contributions (Continued)**

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 \$364,350. 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 \$602,678. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$5,029,221 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 \$147,303.

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 0.0635%, at the end of the measurement period and 0.0656% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 5,029,221
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>147,303</u>
Total	<u><u>\$ 5,176,524</u></u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

For the year ended December 31, 2022, the City recognized pension expense of \$613,031 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$22,010 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 42,009	\$ 55,357
Changes in actuarial assumptions	1,174,709	20,520
Net collective difference between projected and actual investment earnings	24,245	-
Changes in proportion	62,485	-
Contributions paid to PERA subsequent to the measurement date	182,175	-
	<u>182,175</u>	<u>-</u>
Total	<u><u>\$ 1,485,623</u></u>	<u><u>\$ 75,877</u></u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

The \$182,175 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:

Year Ending December 31,	Pension Expense Amount
2023	\$ 447,600
2024	461,767
2025	(136,614)
2026	454,817
Total	<u>\$ 1,227,570</u>

Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$12,080,055 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 0.2776% at the end of the measurement period and 0.2660% 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.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs (Continued)**

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 \$1,255,087 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$102,355 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 \$24,984 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.

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
Differences between expected and actual economic experience	\$ 728,546	\$ -
Changes in actuarial assumptions	7,005,691	72,957
Net collective difference between projected and actual investment earnings	307,783	-
Changes in proportion	145,931	147,628
Contributions paid to PERA subsequent to the measurement date	301,339	-
	<u>8,489,290</u>	<u>220,585</u>
Total	<u>\$ 8,489,290</u>	<u>\$ 220,585</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs (Continued)

The \$301,339 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 Ending December 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 1,577,719
2024	1,553,308
2025	1,377,183
2026	2,439,151
2027	<u>1,010,005</u>
Total	<u><u>\$ 7,957,366</u></u>

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

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis 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 Expected Real Rate of Return</u>
Domestic equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	<u>25.0</u>	5.90
Total	<u><u>100.0 %</u></u>	



**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**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 6.5%. 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.

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

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

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

Police and Fire Fund (Continued)

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.

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.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

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

**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 <u>(5.5%)</u>	Current Discount Rate <u>(6.5%)</u>	1% Increase in Discount Rate <u>(7.5%)</u>
City's proportionate share of the General Employees Fund net pension liability	\$ 7,943,918	\$ 5,029,221	\$ 2,638,720
	1% Decrease in Discount Rate <u>(4.4%)</u>	Current Discount Rate <u>(5.4%)</u>	1% Increase in Discount Rate <u>(6.4%)</u>
City's proportionate share of the Police and Fire Fund net pension liability (asset)	\$ 18,281,614	\$ 12,080,055	\$ 7,066,466

**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).

**Public Employees Defined Contribution Plan (Defined Contribution Plan)**

Certain employee types of the City of Crystal, which include council members, 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.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees Defined Contribution Plan (Defined Contribution Plan) (Continued)**

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:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 2,246	\$ 2,246	5%	5%	5%

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by BlueCross BlueShield. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

**B. Benefits Provided**

Employees who apply for early retirement shall remain eligible to receive certain health insurance benefits until the end of the year in which the employee becomes Medicare eligible. The City will pay the single person premium for qualifying employees up until they reach age 65 or become eligible for Medicare coverage.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**C. Contributions**

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with the health care plan provider. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2022, the City contributed \$115,716 to the plan.

**D. Members**

As of January 1, 2022, the following were covered by the benefit terms:

Total employees without coverage	11
Employees with coverage	86
	<hr/>
Total	97
	<hr/> <hr/>

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**Key Methods and Assumptions Used in Valuation of Total OPEB Liability**

---

Discount Rate	2.06%
Salary increases including inflation	Based on the PERA Plan in which the employee is a participant.
Healthcare cost trend increases	6.2% for FY2022, gradually decreasing over ten years to an ultimate rate of 3.9% in FY2075 and later years.
Mortality assumption	PERA Coordinated: Rates from the most recent PERA experience study from July 1, 2014 through June 30, 2018. PERA Police and Fire: Rates from the most recent PERA experience study from July 1, 2015 through June 30, 2019.

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2021 – December 31, 2021.

**F. Total OPEB Liability**

The City's total OPEB liability of \$1,827,197 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Total OPEB Liability (Continued)**

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
	<u>                    </u>
Balances at January 1, 2022	<u>\$ 1,969,801</u>
Changes for the year	
Service cost	128,242
Interest	43,252
Differences between expected and actual economic experience	9,194
Changes of assumptions	(207,576)
Benefit payments	<u>(115,716)</u>
Net changes	<u>(142,604)</u>
Balances at December 31, 2022	<u><u>\$ 1,827,197</u></u>

**G. OPEB Liability Sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 2.06% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability/(Asset)		
1% decrease (1.06%)	Current (2.06%)	1% increase (3.06%)
<u>                    </u>	<u>                    </u>	<u>                    </u>
\$ 1,997,484	\$ 1,827,197	\$ 1,671,052

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. OPEB Liability Sensitivity (Continued)**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability/(Asset)		
1% decrease (5.2% decreasing to 2.9%)	Current (6.2% decreasing to 3.9%)	1% increase (7.2% decreasing to 4.9%)
\$ 1,601,043	\$ 1,827,197	\$ 2,096,522

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$63,844. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources as shown below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 663,892
Changes in actuarial assumptions	246,519	272,830
Contributions made subsequent to the measurement date	87,336	-
Total	<u>\$ 333,855</u>	<u>\$ 936,722</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

The \$87,336 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

2023	\$ (107,650)
2024	(107,650)
2025	(107,650)
2026	(110,977)
2027	(111,089)
Thereafter	<u>(145,187)</u>
Total	<u><u>\$ (690,203)</u></u>



**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 11 – FUND BALANCES**

**A. Classifications**

A summary of governmental fund balance classifications at December 31, 2022, is as follows:

	Major Funds				
	General	Debt	Capital Project Fund Street Reconstruction	Other Funds	Total
	Fund	Service			
Fund balances					
Nonspendable					
Inventory	\$ 32,686	\$ -	\$ -	\$ -	\$ 32,686
Prepaid items	2,652	-	-	-	2,652
Total nonspendable	35,338	-	-	-	35,338
Restricted					
Housing and Redevelopment					
Assistance	-	-	-	885,615	885,615
Debt service	-	4,051,763	-	-	4,051,763
DWI-related enforcement, Training, and education	-	-	-	88,055	88,055
Total restricted	-	4,051,763	-	973,670	5,025,433
Committed					
Compensated absences	917,956	-	-	-	917,956
Housing and redevelopment					
Assistance	-	-	-	2,232,803	2,232,803
Capital outlay - street reconstruction	-	-	6,623,565	-	6,623,565
Capital outlay - police equipment	-	-	-	2,753,628	2,753,628
Capital outlay - cable TV equipment	-	-	-	299,790	299,790
Capital outlay - park improvement	-	-	-	1,359,410	1,359,410
Total committed	917,956	-	6,623,565	6,645,631	14,187,152
Assigned					
Police Department purposes	-	-	-	99,634	99,634
Unassigned	5,558,799	-	-	-	5,558,799
Total fund balances	<u>\$ 6,512,093</u>	<u>\$ 4,051,763</u>	<u>\$ 6,623,565</u>	<u>\$ 7,718,935</u>	<u>\$ 24,906,356</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 12 – 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. As such, the City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program for cities that are parties to a joint powers agreement.

The LMCIT is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of pre-determined amounts. The LMCIT provides coverage for liability, errors and omissions, worker's compensation, auto, and other miscellaneous types of coverage.

The City's Self-Insurance Fund (an Internal Service Fund) is used to account for and finance its uninsured risks of loss. The Self-Insurance Fund provides coverage for up to a maximum of \$25,000 for each general liability or property damage claim, up to \$75,000 per year. The City purchases commercial insurance for claims in excess of coverage provided by this fund, as well as for all other risks of loss. Settled claims exceeded commercial coverage in 2022. There were no significant reductions in insurance coverage during 2022.

All funds of the City contribute to the Self-Insurance Fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability of \$119,742 is included in accounts payable of the Self-Insurance Fund at December 31, 2022. The liability amount is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported when information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate of the liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The maximum liability for any one year is \$75,000. The total liability may exceed \$75,000 if claims are open from more than one year.

Changes in claims liability for 2021 and 2020 are as follows:

Year	Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Payments on Claims	Claims Liability End of Year
2021	\$ 20,674	\$ 164,278	\$ 2,461	\$ 182,491
2022	182,491	(61,649)	1,100	119,742

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 13 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

**A. Joint Ventures**

**1. Golden Valley, Crystal, and New Hope Joint Water Commission**

The City is a member of a joint powers agreement, together with the cities of Golden Valley and New Hope, which established a Joint Water Commission (JWC). The JWC was created in 1963 to provide for the creation and maintenance of a joint water supply, storage, and distribution system through which water purchased from the City of Minneapolis can be supplied to the population of the member cities.

The city council of each member city is entitled to appoint one member to the JWC. Original construction costs were allocated to the member cities based on percentages agreed upon in the joint powers agreement. All property acquired under this agreement is owned by the members in proportion to the amount of construction costs paid by each member city. All subsequent operating and maintenance costs are apportioned to, and paid by, each member city on the basis of water usage.

The City's equity interest and its share of the net income (loss) of the JWC are reported in the City's Water Fund (an Enterprise Fund). The City's equity interest in the JWC at December 31, 2022, is \$5,330,686.

Due to concurrent timing of the City's fiscal year end and audit of the JWC, the City reports its equity interest in the JWC with a one-year lag. The following financial information is from the JWC's audited financial statements for the year ended December 31, 2021:

Total assets	\$ 20,370,794
Total liabilities	<u>940,445</u>
Net position	
Net investment in capital assets	11,760,863
Restricted for capital improvements	4,936,435
Restricted for emergency water supply	1,700,000
Unrestricted	<u>1,033,051</u>
Total net position	<u>\$ 19,430,349</u>
Total program expenses	\$ 8,851,973
Total program revenues	<u>9,703,304</u>
Net program revenue	851,331
Total general revenues	<u>148,600</u>
Change in net position	999,931
Net position	
Beginning of year	<u>18,430,418</u>
End of year	<u>\$ 19,430,349</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 13 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS  
(CONTINUED)**

**A. Joint Ventures (Continued)**

**1. Golden Valley, Crystal, and New Hope Joint Water Commission (Continued)**

JWC audited financial statements are available from the City of Golden Valley, Finance Department, 7800 Golden Valley Road, Golden Valley, MN 55427.

**2. West Metro Fire-Rescue District**

Effective January 2, 1998, the City entered into a joint powers agreement with the City of New Hope for the purpose of consolidating fire departments of the two cities. Operations commenced in July 1998 under the name of West Metro Fire-Rescue District (the District). The District is governed by a seven-member board of directors that includes one Crystal City Council member who is appointed by resolution, one public member appointed by the City Council, and the City Manager, who serves ex officio.

As required by the agreement, the City transferred fire department equipment to the District, retaining its rights to these assets in the event of the District's dissolution. The equipment transferred had a cost value of \$1,923,820. The District recorded only the rolling stock received and recorded it at its estimated fair value. Other equipment items were not capitalized.

The City's equity interest and its share of the net income (loss) of the District are reported only in the government-wide financial statements. It is not reported in the General Fund because the equity interest represents equity primarily in capital assets vs. financial resources. The City's equity interest in the District at December 31, 2021, is \$1,277,625.

Due to concurrent timing of the City's fiscal year end and audit of the District, the City reports its equity interest in the District with a one-year lag. The following financial information is from the District's audited financial statements for the year ended December 31, 2021:

Total assets and deferred outflows of resources	\$ 7,530,348
Total liabilities and deferred inflows of resources	5,603,068
Net position	
Net investment in capital assets	1,127,486
Restricted for donor-approved purposes	171,159
Unrestricted	628,635
Total net position	<u>\$ 1,927,280</u>
 Total program expenses	 \$ 2,894,852
Total program revenues	3,491,789
Net program expense	596,937
Total general revenues	67,496
Change in net position	664,433
Net position	
Beginning of year	1,262,847
End of year	<u>\$ 1,927,280</u>

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 13 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**  
**(CONTINUED)**

**A. Joint Ventures (Continued)**

**2. West Metro Fire-Rescue District (Continued)**

The activities of the District will continue to be funded entirely by the cities of Crystal and New Hope, with each city contributing its proportionate share of the annual operating budget in monthly installments. According to a formula in the agreement, the City's share of the District's operating budget is 49.4%.

Audited financial statements are available from West Metro Fire-Rescue District, 4251 Xylon Avenue N., New Hope, MN 55428.

**B. Jointly Governed Organizations**

**1. Local Government Information Systems Association (LOGIS)**

The City is a member of LOGIS, a consortium of Minnesota government entities that provides computerized data processing and support services to its members. LOGIS is legally separate from the City, the City does not appoint a voting majority of the Board, and it is fiscally independent of the City. The amount paid to LOGIS for services received in 2022 was \$719,532 which was allocated to various funds based on application usage.

**2. LOGIS Insurance Group**

This group provides cooperative purchasing of health and life insurance benefits for over 40 government entities. Payments for this group are made by the City to HealthPartners and are directed to LOGIS Insurance Group.

**3. Pets Under Police Security (PUPS)**

The City is party to a joint powers agreement, together with five other cities, which created an organization to provide for the efficient and economical impoundment of animals in a jointly owned and operated facility. The amount paid to PUPS for services received in 2022 was \$24,182.

**4. Bassett Creek Watershed Management Commission (BCWMC)**

The City is party to a joint powers agreement, together with eight other cities, the purpose of which is to provide for cooperative planning, usage, and improvement of the Bassett Creek watershed. The amount paid to BCWMC in 2022 was \$9,628.

**5. Shingle Creek Watershed Management Commission (SCWMC)**

The City is party to a joint powers agreement, together with eight other cities, which was created to protect and manage the water resources of the Shingle Creek watershed. The amount paid to SCWMC in 2022 was \$29,192.

**City of Crystal**  
**Notes to Basic Financial Statements**

**NOTE 13 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS  
(CONTINUED)**

**B. Jointly Governed Organizations (Continued)**

**6. Hennepin Recycling Group (HRG)**

The City is party to a joint powers agreement, together with the cities of Brooklyn Center and New Hope, which established HRG. HRG was created to provide for the efficient and economical collection, recycling, and disposal of solid waste within the cities. HRG contracts for collection and recycling activities and the participating cities are billed for services provided to its residents. The amount paid to HRG for services received in 2022 was \$380,255.

Accounting services for HRG were provided by the City, which has reported the financial accounts of HRG in a Custodial Fund in these financial statements.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**A. Commitments**

The City has in process various multi-year construction projects which were not completed in the current fiscal year. As of December 31, 2022, outstanding commitments for these multi-year projects total approximately \$1,045,635 and will be paid by the City Buildings Internal Service Fund and utility funds.

**B. Contingencies**

During the course of normal operations, the City may be subject to claims or other litigation. It is the opinion of the City's attorney that resolution of these matters, if any at December 31, 2022, will not have a material adverse effect on the financial condition of the City.

**NOTE 15 – FACILITY USE AGREEMENT**

On August 24, 2004, the City entered into a licensor-licensee relationship with ISD 281. Per terms of the agreement, the City contributed \$900,000 towards the cost of constructing and equipping a gymnasium. In return, the City is entitled to use the space for public recreation as well as for programs and services for its residents. The agreement is for a term of 40 years, running from September 1, 2005, through August 31, 2045. ISD 281 has title to the property and is responsible for all subsequent operations and maintenance costs.

**NOTE 16 – NEW STANDARDS ISSUED BUT 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**City of Crystal**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Total OPEB Liability					
Service cost	\$ 105,872	\$ 116,648	\$ 87,322	\$ 109,504	\$ 128,242
Interest	89,846	89,084	103,548	50,755	43,252
Differences between expected and actual experience	-	-	(1,025,507)	18,627	9,194
Changes of assumptions	84,810	(161,829)	208,602	91,065	(207,576)
Benefit payments	<u>(77,076)</u>	<u>(79,989)</u>	<u>(64,991)</u>	<u>(86,024)</u>	<u>(115,716)</u>
Net change in total OPEB liability	<u>203,452</u>	<u>(36,086)</u>	<u>(691,026)</u>	<u>183,927</u>	<u>(142,604)</u>
Beginning of year	<u>2,309,534</u>	<u>2,512,986</u>	<u>2,476,900</u>	<u>1,785,874</u>	<u>1,969,801</u>
End of year	<u>\$ 2,512,986</u>	<u>\$ 2,476,900</u>	<u>\$ 1,785,874</u>	<u>\$ 1,969,801</u>	<u>\$ 1,827,197</u>
Covered-employee payroll	\$ 6,600,000	\$ 6,800,000	\$ 7,300,000	\$ 7,600,000	\$ 7,900,000
Total OPEB liability as a percentage of covered-employee payroll	38.1%	36.4%	24.5%	25.9%	23.1%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.  
No assets are accumulated in a trust.



**City of Crystal**  
**Schedule of Employer Contributions - OPEB**

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Actuarially determined contribution	\$ 77,076	\$ 79,989	\$ 64,991	\$ 86,024	\$ 115,716
Contributions in relation to the actuarially determined contribution	<u>77,076</u>	<u>79,989</u>	<u>64,991</u>	<u>86,024</u>	<u>115,716</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 6,600,000</u>	<u>\$ 6,800,000</u>	<u>\$ 7,300,000</u>	<u>\$ 7,600,000</u>	<u>\$ 7,900,000</u>
Contributions as a percentage of covered-	1.17%	1.18%	0.89%	1.13%	1.46%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.  
No assets are accumulated in a trust.

**City of Crystal**  
**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- employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.0635%	\$ 5,029,221	\$ 147,303	\$ 5,176,524	\$ 4,753,680	105.80%	76.67%
2021	0.0656%	2,801,414	85,545	2,886,959	4,720,680	59.34%	87.00%
2020	0.0637%	3,819,106	117,652	3,936,758	4,539,680	84.13%	79.06%
2019	0.0633%	3,499,715	108,829	3,608,544	4,481,387	78.09%	80.23%
2018	0.0643%	3,567,100	116,991	3,684,091	4,321,093	82.55%	79.53%
2017	0.0697%	4,449,602	55,982	4,505,584	4,492,840	89.04%	75.90%
2016	0.0687%	5,578,099	72,855	5,650,954	4,260,733	130.92%	68.91%
2015	0.0694%	3,396,668	-	3,396,668	4,010,187	84.70%	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- employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.2776%	\$ 12,080,055	\$ 527,674	\$ 12,607,729	\$ 3,371,842	358.26%	70.53%
2021	0.2660%	2,029,298	92,288	2,121,586	3,143,531	64.55%	93.66%
2020	0.2828%	3,702,155	87,797	3,789,952	3,123,429	118.53%	87.19%
2019	0.2804%	2,947,287	-	2,947,287	2,892,478	101.89%	89.26%
2018	0.2707%	2,861,020	-	2,861,020	2,852,679	100.29%	88.84%
2017	0.2600%	3,486,909	-	3,486,909	2,664,136	130.88%	85.43%
2016	0.2430%	9,730,143	-	9,730,143	2,343,136	415.26%	63.88%
2015	0.2400%	2,726,962	-	2,726,962	2,136,679	127.63%	86.61%

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

**City of Crystal**  
**Schedule of City Contributions -**  
**General Employees Retirement Fund**  
**Last Ten Years**

<u>Fiscal Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered- employee Payroll</u>
2022	\$ 364,350	\$ 364,350	\$ -	\$ 4,858,000	7.50%
2021	355,386	355,386	-	4,738,480	7.50%
2020	350,479	350,479	-	4,673,053	7.50%
2019	343,159	343,159	-	4,575,453	7.50%
2018	330,498	330,498	-	4,406,640	7.50%
2017	318,656	318,656	-	4,248,747	7.50%
2016	323,436	323,436	-	4,312,480	7.50%
2015	315,859	315,859	-	4,211,453	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**

<u>Fiscal Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered- employee Payroll</u>
2022	\$ 602,678	\$ 602,678	\$ -	\$ 3,404,960	17.70%
2021	572,130	572,130	-	3,232,373	17.70%
2020	562,542	562,542	-	3,178,203	17.70%
2019	531,629	531,629	-	3,136,454	16.95%
2018	465,078	465,078	-	2,870,852	16.20%
2017	447,205	447,205	-	2,760,525	16.20%
2016	398,040	398,040	-	2,457,037	16.20%
2015	367,112	367,112	-	2,266,123	16.20%

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



**CITY of CRYSTAL**

**City of Crystal**  
**Notes to Required Supplementary Information**

**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.

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.

**City of Crystal**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**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.
- 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.

**City of Crystal**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**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 Crystal**  
**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 Crystal**  
**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%.
- 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.

**City of Crystal**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- 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 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 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%.

**City of Crystal**  
**Notes to Required Supplementary Information**

**Post Employment Health Care Plan**

**2022 Changes**

Changes in Actuarial Assumptions

- The discount rate was decreased from 2.12% in 2021 to 2.06% in 2022.
- Medical trend was updated based on recently published trend model and trend surveys to better reflect future anticipated experience.
- Medical per capita claims tables were updated based on recent experience and demographics.
- Withdrawal, retirement, mortality, disability, and salary scale assumptions were updated to those included in the recently published PERA actuarial valuations.
- Future retiree participation rates were updated from 75% to 65% based on analysis of past plan experience.
- Future retiree spouse participation rates were updated from 40% for PERA Coordinated and 60% for PERA Police and Fire to 40% for all participants based on analysis of past plan experience.
- Future retiree medical plan blending was updated based on an analysis of medical plan election rates as of the valuation date.

**2021 Changes**

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The discount rate decreased from 2.74% in 2019 to 2.12% in 2020.

**2019 Changes**

Changes in Actuarial Assumptions

- The discount rate decreased from 4.09% in 2018 to 2.74% in 2019.

**2018 Changes**

Changes in Actuarial Assumptions

- The discount rate increased from 3.44% in 2017 to 4.09% in 2018.

## **SUPPLEMENTARY INFORMATION**

**City of Crystal**  
**Nonmajor Governmental Funds**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are restricted to expenditures for particular purposes.

**TIF Districts**

This fund accounts for activities of the City's tax increment financing (TIF) districts. The main financing sources include tax increment revenue, interest, and transfers from other funds.

**Special Projects**

This fund is used to account for miscellaneous grants as well as revenues and expenditures relating to DWI-forfeited vehicles. In addition, this fund is used to account for revenues and expenditures of funds donated for ongoing, city-specified projects that may otherwise not be accomplished due to lack of funding.

**EDA**

This blended component unit is used to account for the City's housing and redevelopment activities. Significant revenue sources include property taxes, intergovernmental revenues, and charges for services.

**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities of the City, with the exception of those financed by Proprietary Funds.

**Cable TV Equipment**

This fund is used to accumulate funds to pay for equipment and expenses related to TV broadcast of city council meetings. The main financing sources include grants and interest.

**Park Improvement**

This fund is used to accumulate funds to pay for park improvements. The main financing sources include property taxes and interest.

**Police Equipment Revolving**

This fund is used to account for capital acquisitions of the City's police department. The fund was initially funded by a 1999 refund of the City's proportionate share of residual assets in the overfunded PERA police consolidation account, which was merged with the PERA Police and Fire Fund. Financing sources may include property taxes, grants, interest, and proceeds from sale of equipment.

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

	Special Revenue			
	TIF Districts Special Revenue	Special Projects	EDA	Total
<b>Assets</b>				
Cash and investments	\$ 898,933	\$ 189,709	\$ 1,971,841	\$ 3,060,483
Accounts receivable	22,874	-	-	22,874
Taxes receivable	-	-	4,327	4,327
Special assessments receivable	-	-	91,336	91,336
Advances to other funds	-	-	1,935	1,935
Land held for resale	-	-	271,000	271,000
Total assets	<u>\$ 921,807</u>	<u>\$ 189,709</u>	<u>\$ 2,340,439</u>	<u>\$ 3,451,955</u>
<b>Liabilities</b>				
Accounts payable	\$ 20,479	\$ 2,020	\$ 4,348	\$ 26,847
Advances from other funds	15,713	-	-	15,713
Due to other governments	-	-	1,170	1,170
Salaries and benefits payable	-	-	4,577	4,577
Deposits payable	-	-	2,000	2,000
Total liabilities	<u>36,192</u>	<u>2,020</u>	<u>12,095</u>	<u>50,307</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	4,205	4,205
Unavailable revenue - special assessments	-	-	91,336	91,336
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>95,541</u>	<u>95,541</u>
<b>Fund Balances</b>				
Restricted	885,615	88,055	-	973,670
Committed	-	-	2,232,803	2,232,803
Assigned	-	99,634	-	99,634
Total fund balances	<u>885,615</u>	<u>187,689</u>	<u>2,232,803</u>	<u>3,306,107</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 921,807</u>	<u>\$ 189,709</u>	<u>\$ 2,340,439</u>	<u>\$ 3,451,955</u>

Capital Projects				
Cable TV Equipment	Park Improvement	Police Equipment Revolving	Total	Total Governmental Funds
\$ 299,823	\$ 1,291,162	\$ 1,613,600	\$ 3,204,585	\$ 6,265,068
-	80,000	-	80,000	102,874
-	1,682	-	1,682	6,009
-	-	-	-	91,336
-	-	1,170,000	1,170,000	1,171,935
-	-	-	-	271,000
<u>\$ 299,823</u>	<u>\$ 1,372,844</u>	<u>\$ 2,783,600</u>	<u>\$ 4,456,267</u>	<u>\$ 7,908,222</u>
\$ 33	\$ 11,809	\$ 29,952	\$ 41,794	\$ 68,641
-	-	-	-	15,713
-	-	20	20	1,190
-	-	-	-	4,577
-	-	-	-	2,000
<u>33</u>	<u>11,809</u>	<u>29,972</u>	<u>41,814</u>	<u>92,121</u>
-	1,625	-	1,625	5,830
-	-	-	-	91,336
-	<u>1,625</u>	-	<u>1,625</u>	<u>97,166</u>
-	-	-	-	973,670
299,790	1,359,410	2,753,628	4,412,828	6,645,631
-	-	-	-	99,634
<u>299,790</u>	<u>1,359,410</u>	<u>2,753,628</u>	<u>4,412,828</u>	<u>7,718,935</u>
<u>\$ 299,823</u>	<u>\$ 1,372,844</u>	<u>\$ 2,783,600</u>	<u>\$ 4,456,267</u>	<u>\$ 7,908,222</u>

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

	Special Revenue			
	TIF Districts			
	Special Revenue	Special Projects	EDA	Total
<b>Revenues</b>				
Property taxes	\$ 348,352	\$ -	\$ 311,727	\$ 660,079
Special assessments	-	-	32,839	32,839
Intergovernmental	-	-	12,500	12,500
Fine and forfeitures	-	4,440	-	4,440
Miscellaneous				
Interest	(15,684)	-	(39,171)	(54,855)
Other	22,877	100,653	2,033	125,563
Total revenues	<u>355,545</u>	<u>105,093</u>	<u>319,928</u>	<u>780,566</u>
<b>Expenditures</b>				
Current				
General government	-	58,884	-	58,884
Public safety	-	16,994	-	16,994
Recreation	-	1,841	-	1,841
Economic development	267,000	-	397,375	664,375
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	29,350	-	29,350
Total expenditures	<u>267,000</u>	<u>107,069</u>	<u>397,375</u>	<u>771,444</u>
Excess of revenues over (under) expenditures	88,545	(1,976)	(77,447)	9,122
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital asset	-	-	-	-
Lease issuance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	88,545	(1,976)	(77,447)	9,122
<b>Fund Balances</b>				
Beginning of year	<u>797,070</u>	<u>189,665</u>	<u>2,310,250</u>	<u>3,296,985</u>
End of year	<u>\$ 885,615</u>	<u>\$ 187,689</u>	<u>\$ 2,232,803</u>	<u>\$ 3,306,107</u>



Capital Projects				
Cable TV Equipment	Park Improvement	Police Equipment Revolving	Total	Total Other Governmental Funds
\$ -	\$ 607,175	\$ 158,037	\$ 765,212	\$ 1,425,291
-	-	-	-	32,839
34,390	80,000	-	114,390	126,890
-	-	-	-	4,440
-	-	-	-	-
(5,249)	(24,514)	(65,484)	(95,247)	(150,102)
-	3,771	23	3,794	129,357
29,141	666,432	92,576	788,149	1,568,715
800	-	-	800	59,684
-	-	1,972	1,972	18,966
-	1,201	-	1,201	3,042
-	-	-	-	664,375
-	-	43,605	43,605	43,605
-	-	9,704	9,704	9,704
-	557,710	409,843	967,553	996,903
800	558,911	465,124	1,024,835	1,796,279
28,341	107,521	(372,548)	(236,686)	(227,564)
-	11,492	12,572	24,064	24,064
-	-	293,439	293,439	293,439
-	11,492	306,011	317,503	317,503
28,341	119,013	(66,537)	80,817	89,939
271,449	1,240,397	2,820,165	4,332,011	7,628,996
\$ 299,790	\$ 1,359,410	\$ 2,753,628	\$ 4,412,828	\$ 7,718,935

**City of Crystal**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**TIF Districts - Special Revenue**  
**Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 358,753	\$ 358,753	\$ 348,352	\$ (10,401)
Interest	18,875	18,875	(15,684)	(34,559)
Miscellaneous revenues	-	-	22,877	22,877
Total revenues	<u>377,628</u>	<u>377,628</u>	<u>355,545</u>	<u>(22,083)</u>
<b>Expenditures</b>				
Current				
Community development	<u>291,848</u>	<u>291,848</u>	<u>267,000</u>	<u>(24,848)</u>
Net change in fund balances	<u>\$ 85,780</u>	<u>\$ 85,780</u>	88,545	<u>\$ 2,765</u>
<b>Fund Balance</b>				
Beginning of year			<u>797,070</u>	
End of year			<u>\$ 885,615</u>	

**City of Crystal**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - EDA - Special Revenue**  
**Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 310,000	\$ 310,000	\$ 311,727	\$ 1,727
Special assessments	-	-	32,839	32,839
Intergovernmental	-	-	12,500	12,500
Investment income	8,000	8,000	(39,171)	(47,171)
Miscellaneous revenues	-	-	2,033	2,033
Total revenues	<u>318,000</u>	<u>318,000</u>	<u>319,928</u>	<u>1,928</u>
<b>Expenditures</b>				
Current				
Community development	<u>384,390</u>	<u>384,390</u>	<u>397,375</u>	<u>12,985</u>
Net change in fund balances	<u>\$ (66,390)</u>	<u>\$ (66,390)</u>	<u>(77,447)</u>	<u>\$ (11,057)</u>
<b>Fund Balances</b>				
Beginning of year			<u>2,310,250</u>	
End of year			<u>\$ 2,232,803</u>	

**City of Crystal**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Street Reconstruction - Capital Projects**  
**Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 245,926	\$ 245,926	\$ 245,926	\$ -
Special assessments	230,000	230,000	411,314	181,314
Intergovernmental	230,000	230,000	590,323	360,323
Investment income	75,000	75,000	(184,568)	(259,568)
Miscellaneous revenues	-	-	574	574
Total revenues	<u>780,926</u>	<u>780,926</u>	<u>1,063,569</u>	<u>282,643</u>
<b>Expenditures</b>				
Public works - capital outlay	<u>1,577,690</u>	<u>1,577,690</u>	<u>1,132,184</u>	<u>(445,506)</u>
Net change in fund balances	<u><u>\$ (796,764)</u></u>	<u><u>\$ (796,764)</u></u>	<u>(68,615)</u>	<u><u>\$ 728,149</u></u>
<b>Fund Balance</b>				
Beginning of year			<u>6,692,180</u>	
End of year			<u><u>\$ 6,623,565</u></u>	

**City of Crystal**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Park Improvement - Capital Projects**  
**Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 606,999	\$ 606,999	\$ 607,175	\$ 176
Intergovernmental	-	-	80,000	80,000
Interest	13,000	13,000	(24,514)	(37,514)
Miscellaneous revenues	-	-	3,771	3,771
Total revenues	<u>619,999</u>	<u>619,999</u>	<u>666,432</u>	<u>46,433</u>
<b>Expenditures</b>				
Current				
Park and recreation	-	-	1,201	1,201
Capital outlay				
Park and recreation	<u>910,000</u>	<u>910,000</u>	<u>557,710</u>	<u>(352,290)</u>
Total expenditures	<u>910,000</u>	<u>910,000</u>	<u>558,911</u>	<u>(351,089)</u>
Excess of revenues over (under) expenditures	(290,001)	(290,001)	107,521	397,522
<b>Other financing uses</b>				
Proceeds from sale of capital asset	<u>24,000</u>	<u>24,000</u>	<u>11,492</u>	<u>(12,508)</u>
Net change in fund balances	<u>\$ (266,001)</u>	<u>\$ (266,001)</u>	119,013	<u>\$ 385,014</u>
<b>Fund Balance</b>				
Beginning of year			<u>1,240,397</u>	
End of year			<u>\$ 1,359,410</u>	

**City of Crystal**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual**  
**Police Equipment Revolving - Capital Projects**  
**Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 161,197	\$ 161,197	\$ 158,037	\$ (3,160)
Interest	20,000	20,000	(65,484)	(85,484)
Miscellaneous revenues	-	-	23	23
Total revenues	<u>181,197</u>	<u>181,197</u>	<u>92,576</u>	<u>(88,621)</u>
<b>Expenditures</b>				
Current				
Public safety	-	-	1,972	1,972
Debt service:				
Principal	-	-	43,605	43,605
Interest and other charges	-	-	9,704	9,704
Capital outlay	<u>217,508</u>	<u>217,508</u>	<u>409,843</u>	<u>192,335</u>
Total expenditures	<u>217,508</u>	<u>217,508</u>	<u>465,124</u>	<u>247,616</u>
Excess of revenues under expenditures	(36,311)	(36,311)	(372,548)	(336,237)
<b>Other Financing Sources</b>				
Proceeds from sale of capital asset	15,000	15,000	12,572	(2,428)
Lease issuance	<u>-</u>	<u>-</u>	<u>293,439</u>	<u>293,439</u>
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>	<u>306,011</u>	<u>291,011</u>
Net change in fund balances	<u>\$ (21,311)</u>	<u>\$ (21,311)</u>	<u>(66,537)</u>	<u>\$ (45,226)</u>
<b>Fund Balance</b>				
Beginning of year			<u>2,820,165</u>	
End of year			<u>\$ 2,753,628</u>	

**City of Crystal**  
**Combining Statement of Net Position - Internal Service Funds**  
**December 31, 2022**

	Self Insurance	Fleet	Information Technology	City Buildings	Totals
<b>Assets</b>					
Current assets					
Cash and investments (including cash equivalents)	\$ 356,411	\$ 2,668,995	\$ -	\$ 2,592,613	\$ 5,618,019
Due from other governments	-	-	-	2,987,835	2,987,835
Total current assets	<u>356,411</u>	<u>2,668,995</u>	<u>-</u>	<u>5,580,448</u>	<u>8,605,854</u>
Noncurrent assets					
Capital assets					
Software	-	9,428	156,230	-	165,658
Buildings	-	120,000	-	18,812,040	18,932,040
Improvements other than buildings	-	170,274	258,421	123,542	552,237
Machinery and equipment	-	4,239,862	462,738	104,530	4,807,130
Office equipment and furnishings	-	-	608,395	-	608,395
Vehicles	-	4,058,053	-	-	4,058,053
Construction In Progress	-	-	-	17,136,743	17,136,743
Total capital assets	<u>-</u>	<u>8,597,617</u>	<u>1,485,784</u>	<u>36,176,855</u>	<u>46,260,256</u>
Less accumulated depreciation	<u>-</u>	<u>(4,934,439)</u>	<u>(1,177,020)</u>	<u>(9,447,613)</u>	<u>(15,559,072)</u>
Net capital assets	<u>-</u>	<u>3,663,178</u>	<u>308,764</u>	<u>26,729,242</u>	<u>30,701,184</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	119,774	410,153	4,062	-	533,989
Contracts payable	-	-	-	1,077,615	1,077,615
Advances from other funds	-	-	85,572	-	85,572
Due to other governments	-	-	5,668	-	5,668
Total current liabilities	<u>119,774</u>	<u>410,153</u>	<u>95,302</u>	<u>1,077,615</u>	<u>1,702,844</u>
Noncurrent Liabilities:					
Advances from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,570,000</u>	<u>7,570,000</u>
Total liabilities	<u>119,774</u>	<u>410,153</u>	<u>95,302</u>	<u>8,647,615</u>	<u>9,272,844</u>
<b>Net Position</b>					
Net investment in capital assets	-	3,663,178	308,764	25,651,627	29,623,569
Unrestricted	<u>236,637</u>	<u>2,258,842</u>	<u>(95,302)</u>	<u>(1,989,552)</u>	<u>410,625</u>
Total net position	<u>236,637</u>	<u>5,922,020</u>	<u>213,462</u>	<u>23,662,075</u>	<u>30,034,194</u>

**City of Crystal**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Net Position - Internal Service Funds**  
**For the Year Ended December 31, 2022**

	Self Insurance	Fleet	Information Technology	City Buildings	Totals
Operating revenues					
Charges for services	\$ -	\$ 341,584	\$ 554,792	\$ 1,467,403	\$ 2,363,779
Miscellaneous	55,527	84	259	73,000	128,870
Total operating revenues	<u>55,527</u>	<u>341,668</u>	<u>555,051</u>	<u>1,540,403</u>	<u>2,492,649</u>
Operating expenses					
Other services	152,602	13,872	601,755	386,927	1,155,156
Supplies	-	-	-	23,633	23,633
Depreciation	-	662,617	84,215	589,632	1,336,464
Equipment	-	6,077	282,168	173,441	461,686
Total operating expenses	<u>152,602</u>	<u>682,566</u>	<u>968,138</u>	<u>1,173,633</u>	<u>2,976,939</u>
Operating income (loss)	(97,075)	(340,898)	(413,087)	366,770	(484,290)
Nonoperating revenues (expenses)					
Investment income	(6,033)	(49,941)	(3,556)	16,688	(42,842)
Gain on sale of capital assets	-	83,737	-	-	83,737
Total nonoperating revenue (expenses)	<u>(6,033)</u>	<u>33,796</u>	<u>(3,556)</u>	<u>16,688</u>	<u>40,895</u>
Income before capital contributions	(103,108)	(307,102)	(416,643)	383,458	(443,395)
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,826,342</u>	<u>6,826,342</u>
Change in net position	(103,108)	(307,102)	(416,643)	7,209,800	6,382,947
Net position - beginning	<u>339,745</u>	<u>6,229,122</u>	<u>630,105</u>	<u>16,452,275</u>	<u>23,651,247</u>
Net position - ending	<u>\$ 236,637</u>	<u>\$ 5,922,020</u>	<u>\$ 213,462</u>	<u>\$ 23,662,075</u>	<u>\$ 30,034,194</u>



**City of Crystal**  
**Combining Statement of Cash Flows - Internal Service Funds**  
**Year Ended December 31, 2022**

	Self Insurance	Fleet	Information Technology	City Buildings	Totals
<b>Cash Flows - Operating Activities</b>					
Interfund services provided and used	\$ -	\$ 341,668	\$ 555,051	\$ (1,484,683)	\$ (587,964)
Payments to suppliers	(215,319)	390,204	(878,730)	(1,748,512)	(2,452,357)
Miscellaneous revenue	55,527	-	-	37,251	92,778
Net cash flows - operating activities	(159,792)	731,872	(323,679)	(3,195,944)	(2,947,543)
<b>Cash Flows - Capital and Related Financing Activities</b>					
Change in advance from other funds	-	-	85,572	7,570,000	7,655,572
Proceeds from disposal of capital assets	-	303,940	-	-	303,940
Grants and contributions	-	-	-	6,826,342	6,826,342
Acquisition of capital assets	-	(808,889)	-	(11,367,304)	(12,176,193)
Net cash flows - capital and related financing activities	-	(504,949)	85,572	3,029,038	2,609,661
<b>Cash Flows - Investing Activities</b>					
Interest and dividends received	(6,033)	(49,941)	(3,556)	16,688	(42,842)
Net change in cash and cash equivalents	(165,825)	176,982	(241,663)	(150,218)	(380,724)
Cash and cash equivalents, January 1	522,236	2,492,013	241,663	2,742,831	5,998,743
Cash and cash equivalents, December 31	\$ 356,411	\$ 2,668,995	\$ -	\$ 2,592,613	\$ 5,618,019
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ (97,075)	\$ (340,898)	\$ (413,087)	\$ 366,770	\$ (484,290)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Depreciation expense	-	662,617	84,215	589,632	1,336,464
Due from other governments	-	-	-	(2,987,835)	(2,987,835)
Accounts payable	(62,717)	410,153	1,368	(1,164,511)	(815,707)
Due to other governmental units	-	-	3,825	-	3,825
Total adjustments	(62,717)	1,072,770	89,408	(3,562,714)	(2,463,253)
Net cash flows - operating activities	\$ (159,792)	\$ 731,872	\$ (323,679)	\$ (3,195,944)	\$ (2,947,543)



**CITY of CRYSTAL**

## **STATISTICAL SECTION**



**CITY of CRYSTAL**

## **City of Crystal Statistical Section (Unaudited)**

This part of the City of Crystal'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 – Taxable and Estimated Market Values of Taxable Property

Table 6 – Property Tax Rates – Direct and Overlapping Governments

Table 7 – Principal Property Taxpayers

Table 8 – Property Tax Levies and Collations

### **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 9 – Legal Debt Margin Information

Table 10 – Ratios of Outstanding Debt by Type

Table 11 – Ratios of General Bonded Debt Outstanding

Table 12 – Direct and Overlapping Governmental Activities Debt

### **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 13 – Demographic and Economic Statistics

Table 14 – Principal Employers

Table 15 – Full-Time City Government Employees by Function

Table 16 – Operating Indicators by Function

Table 17 – Capital Asset Statistics by Function

**City of Crystal**  
**Net Position By Component**  
**(Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**  
**(unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 28,944,085	\$ 34,052,606	\$ 39,903,269	\$ 40,421,924
Restricted	17,707,336	16,360,362	18,102,105	18,580,900
Unrestricted	<u>43,687,744</u>	<u>39,694,502</u>	<u>25,901,804</u>	<u>25,370,751</u>
Total governmental activities net position	<u>\$ 90,339,165</u>	<u>\$ 90,107,470</u>	<u>\$ 83,907,178</u>	<u>\$ 84,373,575</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 15,655,823	\$ 15,448,191	\$ 19,057,632	\$ 19,889,415
Unrestricted	<u>10,114,825</u>	<u>9,397,654</u>	<u>7,484,722</u>	<u>8,575,762</u>
Total business-type activities net position	<u>\$ 25,770,648</u>	<u>\$ 24,845,845</u>	<u>\$ 26,542,354</u>	<u>\$ 28,465,177</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 44,599,908	\$ 49,500,797	\$ 58,960,901	\$ 60,311,339
Restricted	17,707,336	16,360,362	18,102,105	18,580,900
Unrestricted	<u>53,802,569</u>	<u>49,092,156</u>	<u>33,386,526</u>	<u>33,946,513</u>
Total primary government net position	<u>\$ 116,109,813</u>	<u>\$ 114,953,315</u>	<u>\$ 110,449,532</u>	<u>\$ 112,838,752</u>

Table 1

2017	2018	2019	2020	2021	2022
\$ 40,534,551	\$ 41,195,367	\$ 46,233,147	\$ 48,365,123	\$ 51,326,806	\$ 62,949,446
20,099,040	18,671,275	17,072,361	14,067,681	12,295,252	10,999,656
24,388,020	23,516,447	22,294,201	23,420,637	20,389,276	13,615,508
<u>\$ 85,021,611</u>	<u>\$ 83,383,089</u>	<u>\$ 85,599,709</u>	<u>\$ 85,853,441</u>	<u>\$ 84,011,334</u>	<u>\$ 87,564,610</u>
\$ 22,283,455	\$ 21,693,069	\$ 19,815,262	\$ 21,760,477	\$ 22,539,961	\$ 25,321,967
9,572,606	10,836,119	11,901,367	12,074,284	13,285,540	12,753,395
<u>\$ 31,856,061</u>	<u>\$ 32,529,188</u>	<u>\$ 31,716,629</u>	<u>\$ 33,834,761</u>	<u>\$ 35,825,501</u>	<u>\$ 38,075,362</u>
\$ 62,818,006	\$ 62,888,436	\$ 66,048,409	\$ 70,125,600	\$ 73,866,767	\$ 88,271,413
20,099,040	18,671,275	17,072,361	14,067,681	12,295,252	10,999,656
33,960,626	34,352,566	34,195,568	35,494,921	33,674,816	26,368,903
<u>\$ 116,877,672</u>	<u>\$ 115,912,277</u>	<u>\$ 117,316,338</u>	<u>\$ 119,688,202</u>	<u>\$ 119,836,835</u>	<u>\$ 125,639,972</u>

**City of Crystal**  
**Changes in Net Position**  
**(Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**  
**(unaudited)**

	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities				
General government	\$ 2,091,395	\$ 2,767,171	\$ 2,646,651	\$ 3,226,278
Public safety	5,900,593	6,085,801	6,438,462	7,685,700
Public works	2,655,529	5,034,894	5,132,260	6,511,486
Parks and recreation	2,548,785	2,622,407	2,816,220	2,759,211
Community development	1,570,132	1,358,486	1,287,427	1,174,426
Interest on long-term debt	586,388	529,448	555,121	563,308
Total governmental activities expenses	<u>15,352,822</u>	<u>18,398,207</u>	<u>18,876,141</u>	<u>21,920,409</u>
Business-type activities				
Water	\$ 3,092,654	\$ 3,928,301	\$ 4,131,931	\$ 3,047,910
Sanitary sewer	1,927,664	1,931,725	1,995,561	2,169,072
Storm drainage	760,372	662,419	883,284	903,884
Street lights	309,396	169,664	151,305	155,056
Recycling	329,131	324,105	324,393	324,496
Total business-type activities expenses	<u>6,419,217</u>	<u>7,016,214</u>	<u>7,486,474</u>	<u>6,600,418</u>
Total primary government expenses	<u>\$ 21,772,039</u>	<u>\$ 25,414,421</u>	<u>\$ 26,362,615</u>	<u>\$ 28,520,827</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 256,133	\$ 354,802	\$ 228,357	\$ 320,899
Public safety	429,740	438,328	412,016	411,592
Public works	9	303	0	-
Parks and recreation	500,561	465,769	483,741	515,056
Community development	902,000	1,739,829	761,469	767,755
Operating grants and contributions	667,622	595,463	634,881	728,449
Capital grants and contributions	6,877,723	2,613,480	5,533,872	7,393,250
Total governmental activities program revenues	<u>9,633,788</u>	<u>6,207,974</u>	<u>8,054,336</u>	<u>10,137,001</u>
Business-type activities				
Charges for services				
Water	2,637,830	2,601,186	2,962,818	3,076,263
Sanitary sewer	1,939,539	2,020,522	2,079,431	2,193,599
Storm drainage	717,005	760,884	809,067	867,598
Street lights	169,015	181,720	186,125	191,261
Recycling	334,162	334,101	334,493	334,926
Operating grants and contributions	414,534	388,648	1,669,332	1,859,532
Capital grants and contributions	1,319,522	11,612	-	-
Total business-type activities program revenues	<u>7,531,607</u>	<u>6,298,673</u>	<u>8,041,266</u>	<u>8,523,179</u>
Total primary government program revenues	<u>\$ 17,165,395</u>	<u>\$ 12,506,647</u>	<u>\$ 16,095,602</u>	<u>\$ 18,660,180</u>



Table 2

2017	2018	2019	2020	2021	2022
\$ 2,964,731	\$ 3,435,708	\$ 4,523,764	\$2,622,345	\$2,538,863	\$2,304,721
7,546,777	7,250,306	7,585,509	8,533,972	8,207,219	10,325,270
4,224,253	4,285,522	4,479,566	5,675,261	4,789,185	4,650,024
3,128,275	3,299,792	3,093,691	3,126,917	4,097,820	4,615,108
1,616,752	1,159,700	1,398,666	1,552,016	1,748,467	1,481,719
541,919	518,975	462,218	340,097	307,840	255,755
20,022,707	19,950,003	21,543,414	21,850,608	21,689,394	23,632,597
\$ 2,970,228	\$ 3,105,611	\$ 3,094,824	\$ 3,362,825	\$ 3,718,004	\$ 3,817,096
2,144,581	2,486,143	2,164,837	2,317,049	2,742,022	2,668,640
809,169	759,180	1,539,162	725,016	817,652	937,050
174,479	152,301	151,732	194,991	180,314	205,757
324,853	335,310	334,947	344,747	344,702	380,318
6,423,310	6,838,545	7,285,502	6,944,628	7,802,694	8,008,861
\$ 26,446,017	\$ 26,788,548	\$ 28,828,916	\$ 28,795,236	\$ 29,492,088	\$ 31,641,458
\$ 279,603	\$ 243,710	\$ 177,914	\$ 181,700	\$ 232,472	\$ 251,089
380,498	346,501	318,706	204,252	174,439	597,493
-	-	-	-	-	-
513,457	541,486	552,388	154,555	437,656	518,047
796,152	1,255,396	1,169,663	651,925	898,035	832,792
659,450	699,638	761,960	887,111	963,527	890,737
7,473,350	2,337,789	2,146,495	1,763,000	1,670,868	8,553,139
10,102,510	5,424,520	5,127,126	3,842,543	4,376,997	11,643,297
3,138,317	3,265,849	3,707,733	4,442,177	5,060,454	5,032,917
2,300,866	2,578,065	2,446,851	2,679,871	3,112,281	3,347,460
1,058,549	1,174,131	1,226,403	1,271,999	1,309,810	1,365,594
195,122	195,324	194,950	193,029	194,435	195,553
340,250	340,410	342,336	348,287	365,448	386,375
680,740	547,760	2,560,212	240,825	202,760	563,599
-	-	-	105,750	49,395	7,801
7,713,844	8,101,539	10,478,485	9,281,938	10,294,583	10,899,299
\$ 17,816,354	\$ 13,526,059	\$ 15,605,611	\$ 13,124,481	\$ 14,671,580	\$ 22,542,596

**City of Crystal**  
**Changes in Net Position**  
**(Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**  
**(unaudited)**

	2013	2014	2015	2016
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (5,719,034)	\$ (12,190,233)	\$ (10,821,805)	\$ (11,783,408)
Business-type activities	<u>1,112,390</u>	<u>(717,541)</u>	<u>554,792</u>	<u>1,922,761</u>
Total primary government net expense	<u><u>\$ (4,606,644)</u></u>	<u><u>\$ (12,907,774)</u></u>	<u><u>\$ (10,267,013)</u></u>	<u><u>\$ (9,860,647)</u></u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Property taxes	\$ 9,561,519	\$ 9,621,212	\$ 9,670,252	\$ 9,955,391
Grants and contributions not restricted to specific programs	1,472,223	1,664,043	1,701,220	1,712,591
Unrestricted investment earnings	96,678	350,648	303,263	445,296
Gain on disposition of capital assets	47,080	48,900	27,706	82,795
Transfers	<u>(252,756)</u>	<u>273,735</u>	<u>(1,577,880)</u>	<u>53,732</u>
Total governmental activities	10,924,744	11,958,538	10,124,561	12,249,805
Business-type activities				
Unrestricted investment earnings	16,241	66,473	53,517	47,353
Gain on disposition of capital assets	51,300	0	12,500	6,441
Transfers	<u>252,756</u>	<u>(273,735)</u>	<u>1,577,880</u>	<u>(53,732)</u>
Total business-type activities	<u>320,297</u>	<u>(207,262)</u>	<u>1,643,897</u>	<u>62</u>
Total primary government	<u><u>\$ 11,245,041</u></u>	<u><u>\$ 11,751,276</u></u>	<u><u>\$ 11,768,458</u></u>	<u><u>\$ 12,249,867</u></u>
<b>Change in Net Position</b>				
Governmental activities	\$ 5,205,710	\$ (231,695)	\$ (697,244)	\$ 466,397
Business-type activities	<u>1,432,687</u>	<u>(924,803)</u>	<u>2,198,689</u>	<u>1,922,823</u>
Total primary government	<u><u>\$ 6,638,397</u></u>	<u><u>\$ (1,156,498)</u></u>	<u><u>\$ 1,501,445</u></u>	<u><u>\$ 2,389,220</u></u>

(Continued)  
Table 2

2017	2018	2019	2020	2021	2022
\$ (9,920,197)	\$ (14,525,483)	\$ (16,416,288)	\$ (16,416,288)	\$ (17,312,397)	\$ (11,989,300)
1,290,534	1,262,994	3,192,983	3,192,983	2,491,889	2,890,438
<u>\$ (8,629,663)</u>	<u>\$ (13,262,489)</u>	<u>\$ (13,223,305)</u>	<u>\$ (13,223,305)</u>	<u>\$ (14,820,508)</u>	<u>\$ (9,098,862)</u>
\$ 10,469,019	\$ 11,193,252	11,619,642	12,699,857	13,437,858	14,175,783
1,753,898	1,850,588	2,038,452	3,751,256	1,624,369	1,356,242
302,344	542,106	969,103	1,217,350	(163,476)	(605,649)
91,114	231,971	146,270	119,077	92,038	110,986
(2,048,142)	502,049	4,154,441	474,257	479,501	505,214
10,568,233	14,319,966	18,927,908	18,261,797	15,470,290	15,542,576
42,244	98,002	148,899	255,079	(21,648)	(135,363)
9,964	-	-	-	-	-
2,048,142	(502,049)	(4,154,441)	(474,257)	(479,501)	(505,214)
<u>2,100,350</u>	<u>(404,047)</u>	<u>(4,005,542)</u>	<u>(219,178)</u>	<u>(501,149)</u>	<u>(640,577)</u>
<u>\$ 12,668,583</u>	<u>\$ 13,915,919</u>	<u>\$ 14,922,366</u>	<u>\$ 18,042,619</u>	<u>\$ 14,969,141</u>	<u>\$ 14,901,999</u>
\$ 648,036	\$ (205,517)	\$ 2,511,620	\$ 1,845,509	\$ (1,842,107)	\$ 3,553,276
3,390,884	858,947	(812,559) #	2,973,805 #	1,990,740 #	2,249,861
<u>\$ 4,038,920</u>	<u>\$ 653,430</u>	<u>\$ 1,699,061</u>	<u>\$ 4,819,314</u>	<u>\$ 148,633</u>	<u>\$ 5,803,137</u>

**City of Crystal**  
**Fund Balances of Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**  
**(unaudited)**

	2013	2014	2015	2016
<b>General Fund</b>				
Nonspendable				
Inventory	\$ -	\$ -	\$ 27,488	\$ 15,519
Prepaid items	-	-	-	-
Committed				
Compensated absences	840,514	801,697	782,627	817,760
Unassigned	<u>6,862,599</u>	<u>6,594,097</u>	<u>6,382,810</u>	<u>6,220,496</u>
Total general fund	<u>\$ 7,703,113</u>	<u>\$ 7,395,794</u>	<u>\$ 7,192,925</u>	<u>\$ 7,053,775</u>
<b>All Other Governmental Funds</b>				
Nonspendable				
Prepaid items	\$ -	\$ 8,450	\$ -	\$ -
Restricted				
Housing and redevelopment assistance	1,593,243	1,655,414	1,703,927	1,783,870
Murl revolving fund	35,651	39,519	-	-
Debt service	5,440,681	5,528,971	6,437,512	5,750,342
10% lawful gambling contribution	1,945	445	-	-
DWI-related enforcement, training and education	59,357	55,399	40,626	32,375
Committed				
Housing and redevelopment assistance	3,914,649	3,974,329	4,247,836	4,215,316
Capital outlay - city wide	8,647,926	8,632,632	8,498,360	8,357,889
Capital outlay - replace and renovation of city bldgs.	10,286,268	6,964,198	-	105,509
Capital outlay - street reconstruction	2,261,153	2,347,934	2,074,645	2,132,454
Capital outlay - police equipment	3,138,748	3,122,050	3,126,443	3,108,331
Capital outlay - cable TV equipment	-	-	35,487	72,531
Capital outlay - fire equipment	637,970	643,352	648,635	585,905
Capital outlay - street maintenance	1,854,710	1,251,683	1,420,778	1,590,262
Capital outlay - fleet	-	-	-	-
Capital outlay - information technology	-	-	-	-
Capital outlay - park improvement	-	-	-	-
Assigned				
Police department purposes	18,531	14,873	22,453	40,631
Park and recreation department purposes	26,718	24,686	23,684	20,729
Other purposes	11,855	8,060	9,042	7,755
Unassigned	<u>-</u>	<u>-</u>	<u>(626,968)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 37,929,405</u>	<u>\$ 34,271,995</u>	<u>\$ 27,662,460</u>	<u>\$ 27,803,899</u>

Note: The City implemented GASB Statement No. 54 in 2011.

Table 3

2017	2018	2019	2020	2021	2022
\$ 19,169	\$ 23,941	\$ 71,541	\$ 9,012	\$ 33,274	\$ 35,338
-	-	-	17,386	13,178	-
753,962	774,914	801,503	926,030	957,521	917,956
6,119,325	6,181,591	6,123,392	7,405,222	6,765,565	5,558,799
<u>\$ 6,892,456</u>	<u>\$ 6,980,446</u>	<u>\$ 6,996,436</u>	<u>\$ 8,357,650</u>	<u>\$ 7,769,538</u>	<u>\$ 6,512,093</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,768,695	1,327,159	1,180,909	1,038,382	797,070	885,615
-	-	-	-	-	-
5,312,296	6,079,365	6,080,972	4,506,534	4,338,861	4,051,763
-	-	-	-	-	-
27,824	58,991	86,870	73,496	132,231	88,055
3,846,024	3,931,334	2,443,836	2,438,443	2,310,250	2,232,803
8,211,949	399,581	-	-	-	-
644,615	3,338,128	4,155,413	-	-	-
2,718,992	5,672,092	6,778,918	6,803,180	6,692,180	6,623,565
2,870,691	2,812,125	2,915,448	2,766,889	2,820,165	2,753,628
111,450	152,917	195,363	238,385	271,449	299,790
212,683	1,932,904	-	-	-	-
1,696,974	-	-	-	-	-
-	2,790,279	2,850,100	-	-	-
-	466,596	564,839	-	-	-
-	-	1,405,831	1,373,663	1,240,397	1,359,410
40,631	40,631	71,427	74,614	57,434	99,634
20,729	20,729	-	-	-	-
12,564	12,564	-	-	-	-
-	-	-	-	-	-
<u>\$ 27,496,117</u>	<u>\$ 29,035,395</u>	<u>\$ 28,729,926</u>	<u>\$ 19,313,586</u>	<u>\$ 18,660,037</u>	<u>\$ 18,394,263</u>

**City of Crystal**  
**Changes in Fund Balances of Governmental Funds**  
**(Modified Accrual Basis of Accounting)**  
**Last Ten Fiscal Years**  
**(unaudited)**

	2013	2014	2015	2016
<b>Revenues</b>				
Property taxes	\$ 9,641,513	\$ 9,621,688	\$ 9,664,690	\$ 9,966,978
Special assessments	3,467,243	2,873,099	3,328,989	3,950,081
Licenses, permits and inspections	843,741	924,967	808,695	773,479
Intergovernmental	3,046,762	2,930,382	3,175,821	3,062,273
Charges for sales and/or services	899,525	1,718,581	932,081	913,329
Administrative services provided to other funds	291,368	-	-	-
Fines and forfeitures	397,759	405,546	355,566	322,009
Interest	473,660	331,758	291,400	245,865
Net increase (decrease) in fair value of investments	(379,426)	9,442	4,825	59,015
Miscellaneous	502,878	111,496	409,295	1,046,909
<b>Total revenues</b>	<b>19,185,023</b>	<b>18,926,959</b>	<b>18,971,362</b>	<b>20,339,938</b>
<b>Expenditures</b>				
General government	2,158,164	2,198,872	2,289,245	2,517,924
Public safety	5,679,203	5,692,868	5,841,029	6,143,480
Public works	1,311,719	2,246,292	1,327,418	2,077,476
Parks and recreation	2,029,179	2,081,162	2,229,890	2,240,202
Community development	1,464,562	1,252,952	1,197,652	1,108,920
Capital outlay	7,327,877	7,209,039	14,022,519	7,124,563
Debt service -				
Principal	1,358,811	2,275,042	1,379,264	2,481,027
Interest and other fees	564,181	554,063	536,202	591,516
<b>Total expenditures</b>	<b>21,893,696</b>	<b>23,510,290</b>	<b>28,823,219</b>	<b>24,285,108</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,708,673)</b>	<b>(4,583,331)</b>	<b>(9,851,857)</b>	<b>(3,945,170)</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	3,630,000	-	2,550,000	3,330,000
Issuance of refunding bonds	-	-	-	-
Issuance of notes payable	-	-	-	-
Refunded bonds redeemed	-	-	-	-
Premium on bonds issued	58,626	-	92,777	99,664
Proceeds from sale of property and equipment	57,310	82,547	33,224	122,359
Lease Issuance				
Discount on bonds issued	-	-	-	-
Transfers in	895,350	2,347,933	931,436	673,132
Transfers out	(845,756)	(1,898,783)	(551,084)	(286,146)
<b>Total other financing sources (uses)</b>	<b>3,795,530</b>	<b>531,697</b>	<b>3,056,353</b>	<b>3,939,009</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,086,857</b>	<b>\$ (4,051,634)</b>	<b>\$ (6,795,504)</b>	<b>\$ (6,161)</b>
Debt service as a percentage of noncapital expenditures	13%	17%	13%	18%

Table 4

2017	2018	2019	2020	2021	2022
\$ 10,569,176	\$ 11,231,206	\$ 11,600,365	\$ 12,660,825	\$ 13,457,410	\$ 14,159,906
4,468,266	3,452,454	2,746,810	2,460,519	2,321,804	1,908,984
785,451	740,192	835,712	676,382	874,706	850,953
3,133,642	3,641,377	3,964,052	4,903,347	2,881,597	2,644,515
859,087	935,558	886,368	332,551	709,189	854,019
-	-	-	-	-	-
359,917	251,732	296,200	196,239	169,270	188,836
259,657	511,542	949,195	930,168	(131,068)	(562,807)
-	-	-	-	-	-
354,302	595,766	406,221	107,560	357,923	175,903
20,789,498	21,359,827	21,684,923	22,267,591	20,640,831	20,220,309
2,639,028	2,580,042	2,479,514	2,246,838	2,251,477	2,484,535
6,589,235	7,028,892	7,412,980	8,324,408	8,509,527	9,101,585
1,455,074	1,391,736	1,411,680	1,549,456	1,761,363	1,873,638
2,379,532	2,546,771	2,792,663	2,913,882	3,512,059	3,872,309
1,279,318	1,548,967	1,112,371	1,303,613	1,542,587	1,399,679
9,829,622	3,255,645	4,651,350	3,139,828	2,812,386	2,129,087
1,968,341	1,587,269	1,915,357	3,350,275	1,652,500	1,413,605
551,467	548,573	508,618	425,562	353,532	309,570
26,691,617	20,487,895	22,284,533	23,253,862	22,395,431	22,584,008
(5,902,119)	871,932	(599,610)	(986,271)	(1,754,600)	(2,363,699)
4,665,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
273,843	-	-	-	-	-
91,114	253,287	146,270	27,240	33,438	27,249
-	-	-	-	-	308,017
1,944,997	10,580,478	2,015,785	474,257	520,329	505,214
(1,541,936)	(10,078,429)	(1,556,924)	-	(40,828)	-
5,433,018	755,336	605,131	501,497	512,939	840,480
\$ (469,101)	\$ 1,627,268	\$ 5,521	\$ (484,774)	\$ (1,241,661)	\$ (1,523,219)
15%	12%	14%	19%	10%	8%

**City of Crystal**  
**Taxable and Estimated Market Values of Taxable Property**  
**Last Ten Fiscal Years**  
**(unaudited)**

**Table 5**

Fiscal Year	Real Property			Personal Property	Total Taxable Market Value	Total Direct Tax Rate	Estimated Actual Market Value	Total Taxable Market Value as a Percent of Estimated Actual Market Value
	Residential	Apartments	Commercial Industrial					
2012	\$ 1,019,240,647	\$ 100,691,000	\$ 161,022,000	\$ 11,783,600	\$ 1,292,737,247	52.929	\$ 1,457,765,100	88.86 %
2013	864,841,494	100,076,440	159,257,200	12,586,700	1,136,761,834	57.630	1,311,691,400	86.66
2014	864,287,852	101,813,000	156,849,300	12,661,700	1,135,611,852	56.015	1,440,635,800	78.83
2015	1,020,212,713	104,420,800	155,744,300	13,315,900	1,293,693,713	50.498	1,484,886,100	87.12
2016	1,153,327,871	154,241,560	159,609,700	13,517,900	1,480,697,031	53.207	1,620,984,300	91.35
2017	1,280,234,014	167,116,280	174,031,700	13,922,200	1,635,304,194	50.360	1,767,035,000	92.55
2018	1,405,036,164	178,406,933	180,514,900	15,766,500	1,779,724,497	50.416	1,782,801,500	99.83
2019	1,542,818,000	208,112,000	200,365,100	15,983,900	1,967,279,000	48.771	1,919,021,800	102.51
2020	1,618,265,550	227,997,580	225,005,300	16,559,700	2,087,828,130	46.785	2,122,999,500	98.34
2021	1,819,253,404	204,798,000	220,666,200	16,834,900	2,261,552,504	48.371	2,213,904,900	102.15
2022	2,114,867,226	222,797,000	229,864,100	11,918,600	2,579,446,926	46.317	2,402,167,100	107.38

Source: Hennepin County report Market Value and Tax Capacity Growth By City.



**City of Crystal  
Property Tax Rates -  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(unaudited)**

**Table 6**

Fiscal Year	City Direct Tax Rates			Total City Direct Tax Rate	Robbinsdale ISD #281	Hennepin County	Special Districts *	Total Tax Capacity Tax Rate	Crystal Debt Service Market Value Rate	Robbinsdale ISD #281 Market Value Rate	Total Overlapping Tax Rate
	Basic Rate	HRA	G.O. Debt Service								
2012	48.219	1.588	3.122	52.929	32.810	48.231	9.523	143.493	0.015	0.276	143.784
2013	52.520	1.480	3.630	57.630	32.347	49.461	10.089	149.527	0.016	0.297	149.840
2014	51.268	1.241	3.506	56.015	34.777	49.959	10.561	151.312	0.016	0.303	151.631
2015	49.100	1.398	0.000	50.498	33.226	46.398	9.785	139.907	0.015	0.285	140.207
2016	51.831	1.376	0.000	53.207	33.833	45.356	9.530	141.926	0.014	0.282	142.222
2017	48.949	1.411	0.000	50.360	31.612	44.087	9.319	135.378	0.013	0.250	135.641
2018	49.168	1.248	0.000	50.416	31.957	42.808	8.973	134.154	0.000	0.234	134.388
2019	47.553	1.218	0.000	48.771	29.909	41.861	8.550	129.091	0.000	0.266	129.357
2020	46.785	1.070	0.000	47.855	26.447	41.084	8.219	123.605	0.000	0.250	123.855
2021	48.371	1.136	0.000	49.507	25.529	38.210	7.813	121.059	0.000	0.241	121.300
2022	46.317	1.056	0.000	47.373	26.507	38.535	7.849	120.264	0.000	0.216	120.480

Note Information reflects total tax rates levied by each entity. Tax rates are expressed in terms of "net tax capacity."

A property's tax capacity is determined by multiplying its taxable market value by a state-determined class rate.

Class rates vary by property type and change periodically based on state legislation.

\* Includes Metropolitan Council, Metropolitan Transit, Metropolitan Mosquito Control, Hennepin Parks, Park Museum, and the Hennepin County Regional Railroad Authority.

Source: Hennepin County

**City of Crystal  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(unaudited)**

**Table 7**

Taxpayer	Type of Property	2022			2013		
		Tax Capacity *	Rank	Percentage of Total Tax Capacity	Tax Capacity *	Rank	Percentage of Total Tax Capacity
CNTRL CRYSTAL VILL LLC ETAL	Apartments	\$ 669,001	1	2.64 %			
MN-CRYSTAL CENTER-HA LLC	Shopping Center	507,250	2	2.00			
MINNESOTA SENIOR LIVING LLC	Apartments	336,325	3	1.33			
CEDARWOOD INVESTORS LLC	Apartments	274,175	4	1.08			
SMITH-STURM INV WINNETKA VLG	Apartments	241,363	5	0.95	\$ 130,888	5	1.01 %
WINPARK ONE TWO LLC	Industrial	240,610	6	0.95	126,250	7	0.97
CRYSTAL GALLERY DEVELOPERS	Shopping Center	208,650	7	0.82			
CRYSTAL LEASED HSG ASCTS I	Housing	171,781	8	0.68			
TARGET CORPORATION	Department Store	170,030	9	0.67	188,250	2	1.45
CRYSTAL MEDICAL BUILDING LLC	Office/Clinic	<u>167,850</u>	10	<u>0.74</u>	105,425	9	0.81
CRYSTAL SHOPPING CTR ASSOC	Shopping Center				389,250	1	3.00
CRYSTAL VILLAGE APARMT LLC	Apartments				171,301	3	1.32
SUPERVALU INC	Grocery Store				161,250	4	1.24
CALIBRE CHASE PTNRS LTD PTN	Apartments				128,750	6	0.99
BASS LK RD RETAIL ASSOC LLP	Office/Warehouse				109,770	8	0.85
INDUSTRIAL EQUITIES GRP LLC	Apartments				<u>93,090</u>	10	<u>0.72</u>
		<u>\$ 2,987,035</u>		<u>11.79 %</u>	<u>\$ 1,604,224</u>		<u>12.38 %</u>
Total City of Crystal Tax Capacity		<u>\$ 25,325,627</u>			<u>\$ 12,963,259</u>		

\* Tax Capacity is computed by applying class rate percentages, specific to each type of property classification, against Taxable Market Value. Class rate percentages vary depending upon the type of property. The formulas and class rates for converting Taxable Market Value into Tax Capacity represent a basic element of the Minnesota property tax system and are subject to annual revisions by the State.

Source: Hennepin County

**City of Crystal  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(unaudited)**

**Table 8**

Fiscal Year	Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a % of Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a % of Tax Levy
2012	\$ 9,258,402	\$ 9,139,252	98.71 %	\$ 119,150	\$ 9,258,402	100.00 %	\$ -	0.00 %
2013	9,159,895	9,090,927	99.25	68,968	9,159,895	100.00	-	0.00
2014	9,217,153	9,144,399	99.21	72,754	9,217,153	100.00	-	0.00
2015	9,288,837	9,217,089	99.23	65,983	9,283,072	99.91	5,765	0.09
2016	9,954,054	9,871,608	99.17	79,990	9,951,598	99.96	2,456	0.04
2017	10,606,338	10,538,868	99.36	59,692	10,598,560	99.88	7,778	0.12
2018	11,172,069	11,093,852	99.30	63,214	11,157,066	99.80	15,003	0.20
2019	11,343,132	11,272,127	99.37	47,044	11,319,171	99.50	23,961	0.50
2020	12,367,416	12,257,756	99.11	-	12,278,726	99.28	88,690	0.01
2021	13,137,587	13,035,188	99.22	-	13,068,517	99.47	69,070	0.01
2022	13,829,480	13,733,739	99.31	-	13,772,786	99.59	56,694	0.00

Source: City of Crystal Finance Department records

**City of Crystal**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(unaudited)**

	2013	2014	2015	2016
Taxable market value - amounts expressed in thousands	<u>\$ 1,135,611</u>	<u>\$ 1,293,694</u>	<u>\$ 1,339,237</u>	<u>\$ 1,482,067</u>
Debt limit (3% of taxable market value)	\$ 34,068,000	\$ 38,811,000	\$ 40,177,000	\$ 44,462,000
Less debt applicable to debt limit				
Total bonded debt	15,926,532	13,740,062	15,099,795	15,900,940
Deductions -				
Tax increment bonds	-	-	-	-
Special assessment bonds	<u>14,191,612</u>	<u>12,559,803</u>	<u>14,083,544</u>	<u>15,050,000</u>
	<u>14,191,612</u>	<u>12,559,803</u>	<u>14,083,544</u>	<u>15,050,000</u>
Total debt applicable to debt limit	<u>1,734,920</u>	<u>1,180,259</u>	<u>1,016,251</u>	<u>850,940</u>
Legal debt margin	<u>\$ 32,333,080</u>	<u>\$ 37,630,741</u>	<u>\$ 39,160,749</u>	<u>\$ 43,611,060</u>
Total debt applicable to the debt limit as a percentage of the debt limit	<u>5.1%</u>	<u>3.0%</u>	<u>2.5%</u>	<u>1.9%</u>

*Source: City of Crystal Finance Department records*

Table 9

2017	2018	2019	2020	2021	2022
<u>\$ 1,637,892</u>	<u>\$ 1,637,892</u>	<u>\$ 1,967,279</u>	<u>\$ 2,087,828</u>	<u>\$ 2,261,552,504</u>	<u>\$ 2,579,446,926</u>
\$ 49,137,000	\$ 49,137,000	\$ 59,018,000	\$ 62,635,000	\$ 67,846,575,000	\$ 77,383,408,000
19,068,514	17,700,339	15,970,984	12,882,262	11,409,757	10,000,107
-	-	-	-	-	-
<u>18,600,000</u>	<u>17,260,000</u>	<u>15,560,000</u>	<u>12,470,000</u>	<u>11,060,000</u>	<u>9,690,000</u>
<u>18,600,000</u>	<u>17,260,000</u>	<u>15,560,000</u>	<u>12,470,000</u>	<u>11,060,000</u>	<u>9,690,000</u>
<u>468,514</u>	<u>440,339</u>	<u>410,984</u>	<u>412,262</u>	<u>349,757</u>	<u>310,107</u>
<u>\$ 48,668,486</u>	<u>\$ 48,696,661</u>	<u>\$ 58,607,016</u>	<u>\$ 62,222,738</u>	<u>\$ 67,846,225,243</u>	<u>\$ 77,383,097,893</u>
<u>1.0%</u>	<u>0.9%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.0%</u>	<u>0.0%</u>

**City of Crystal**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(unaudited)**

**Table 10**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Taxable Market Value	Percentage of Personal Income	Per Capita
	G.O. Bonds	G.O. Tax Increment Bonds	G.O. Special Assessment Bonds	G.O. Notes Payable				
2012	\$ 1,741,221	\$ -	\$ 11,768,751	\$ 35,081	\$ 13,545,053	1.05 %	1.03 %	\$ 604
2013	1,734,920	-	14,191,612	-	15,926,532	1.40	1.16	703
2014	1,180,259	-	12,559,803	-	13,740,062	1.21	0.96	612
2015	1,016,251	-	14,083,544	-	15,099,795	1.17	1.01	661
2016	850,940	-	15,281,867	-	16,132,807	1.09	1.05	706
2017	-	-	19,068,514	-	19,068,514	1.17	1.17	832
2018	-	-	17,700,339	-	17,700,339	0.99	1.07	760
2019	-	-	15,970,984	-	15,970,984	0.81	0.87	649
2020	-	-	12,852,362	-	12,852,362	0.62	0.72	553
2021	-	-	11,409,757	-	11,409,757	0.50	0.62	494
2022	-	-	10,000,107	-	10,000,107	0.39	0.55	439

*Sources:*     *Outstanding Debt - City of Crystal Finance Department Records*  
*Taxable Market Value - Hennepin County Assessor Department*  
*Personal income - U.S. Department of Commerce, Bureau of Economic Analysis*  
*Population - U.S. Census Bureau for census years and estimates by Metropolitan Council for non-census years*

**City of Crystal**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(unaudited)**

**Table 11**

<u>Fiscal Year</u>	<u>G.O. Bonds</u>	<u>Less Amount Restricted for Debt Service</u>	<u>Total</u>	<u>Percentage of Taxable Market Value of Property</u>	<u>Per Capita</u>
2012	\$ 1,741,221	\$ 291,284	\$ 1,449,937	0.11 %	\$ 64.68
2013	1,734,920	294,217	1,440,703	0.13	63.62
2014	1,180,259	455,740	724,519	0.06	32.29
2015	1,016,251	456,775	559,476	0.04	24.48
2016	-	298,069	(298,069)	0.04	(13.04)
2017	-	-	-	0.00	-
2018	-	-	-	0.00	-
2019	-	-	-	0.00	-
2020	-	-	-	0.00	-
2021	-	-	-	0.00	-
2022	-	-	-	0.00	-

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

Sources: The amount of G.O. bonds is from Table 9 - Legal Debt Margin Information

The amount Restricted for Debt Service is the sum of fund balances for applicable issues

Property value data is from Table 5 - Taxable and Estimated Market Values Of Taxable Property

Population data is from Table 13 - Demographic and Economic Statistics

**City of Crystal**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2022**  
**(unaudited)**

**Table 12**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Government *	Amount Applicable To Government
Direct -			
City of Crystal	\$ 10,000,107	100.00 %	\$ 10,000,107
Overlapping -			
Robbinsdale ISD #281	188,583,455	19.47	36,717,199
Hennepin County	1,018,886,023	1.09	11,105,858
Hennepin Suburban Park District	47,650,901	1.52	724,294
Hennepin Regional RR Authority	85,464,798	1.09	931,566
Metropolitan Council / Transit	83,059,397	0.59	490,050
	<u>1,423,644,574</u>		<u>49,968,967</u>
Total	<u>\$ 1,433,644,681</u>		<u>\$ 59,969,074</u>

\* Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Crystal. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Crystal. This process recognizes that, when considering the City of Crystal's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

The percentage of overlapping debt is estimated using tax capacity. Applicable percentages were estimated by determining the portion of each overlapping government's tax capacity within the City of Crystal's boundaries and dividing it by that government's total tax capacity.

*Source: City of Crystal Finance Department records and Hennepin County*



**City of Crystal  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
(unaudited)**

**Table 13**

Fiscal Year	Population	Per Capita Personal Income	Total City Personal Income	District-Wide School Enrollment	Unemployment Rate
2013	22,645	\$ 60,601	\$1,372,309,645	11,827	5.2 %
2014	22,436	63,901	1,433,682,836	11,821	4.3
2015	22,852	65,231	1,490,658,812	12,690	3.7
2016	22,855	67,427	1,541,044,085	12,630	3.7
2017	22,929	71,067	1,629,495,243	12,011	3.4
2018	23,287	74,698	1,739,492,326	11,957	2.8
2019	24,591	76,552	1,882,490,232	12,553	3.4
2020	23,262	76,552	1,780,752,624	12,397	5.5
2021	23,083	79,183	1,827,781,189	11,692	3.0
2022	22,791	79,183	1,804,659,753	11,362	2.8

*Sources: Population - U.S. Census Bureau for census years and estimates by Metropolitan Council for non-census years.*

*Per capita personal income - U.S. Department of Commerce, Bureau of Economic Analysis. The per capita personal income used is that for Hennepin County, MN, in which the City resides. It is the smallest region applicable to the City that this information is available for. The current year is reported same as the prior year due to data not yet being available at the time this report was prepared.*

*Total City personal income - These estimated amounts are derived by multiplying the per capita personal income amount by the City's population for each applicable year.*

*District-wide school enrollment - Counts are provided by Robbinsdale ISD #281 as of December 31 of each year. ISD #281 serves households in all or parts of Crystal, Brooklyn Center, Brooklyn Park, Golden Valley, New Hope, Plymouth and Robbinsdale.*

*Unemployment rate - Minnesota Department of Employment and Economic Development. Rates are an adjusted yearly average.*

**City of Crystal  
Principal Employers  
Current Year and Nine Years Ago  
(unaudited)**

**Table 14**

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Volunteers of America - Crystal Care Center	200	1	5.01 %	218	1	5.23 %
Target	185	2	4.64	182	2	4.37
Cub Foods	156	3	3.91	173	3	4.15
City of Crystal	101	4	2.53	101	4	2.42
Kilmer Electric Co., Inc.	96	5	2.41			
Buffalo Wild Wings	65	6	1.63	60	9	1.44
Almsted's Crystal Super Value	60	7	1.50	70	7	1.68
McDonald's	44	8	1.10			
Minnesota Grinding	40	9	1.00			
Perkins	<u>37</u>	10	<u>0.93</u>	46	10	1.10
RFG Distributing				100	5	2.40
Kilmer Electric Co., Inc.				70	6	1.68
Metropolitan Transportation Network Inc.				65	8	1.56
	<u>984</u>		<u>24.66 %</u>	<u>1,085</u>		<u>26.03 %</u>
Estimated total employment			<u>3,991</u>			<u>4,166</u>

*Sources: Principal employers are a result of telephone surveys of employers by Baker Tilly US, LLP., in conjunction with city bond sales from 2017.*

*Estimated Total Employment is per Met Council*

**City of Crystal**  
**Full-Time City Government Employees By Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

**Table 15**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	11	11	11	11	9	9	11	11	11	11
Public Safety										
Police										
Officers	28	27	30	30	33	33	34	34	34	35
Civilians	6	5	4	4	5	5	8	8	9	6
Public Works										
Engineering	3	3	3	3	3	3	3	3	3	4
Maintenance	8	8	8	8	8	8	11	11	11	8
Parks and Recreation										
Park maintenance	6	6	6	6	6	6	7	7	7	7
Recreation	5	5	5	6	5	5	8	8	7	6
Community Development	6	7	7	6	7	7	7	7	6	6
Utilities										
Water/Sanitary Sewer/Storm Drainage	9	9	9	10	10	10	9	9	10	9
	<u>82</u>	<u>81</u>	<u>83</u>	<u>84</u>	<u>86</u>	<u>86</u>	<u>98</u>	<u>98</u>	<u>98</u>	<u>92</u>

Source: City of Crystal Finance Department records

**City of Crystal**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

Function	2013	2014	2015	2016	2017	2018
<b>General Government</b>						
Administration						
Employee recruitments	19	22	26	17	20	15
Licenses issued	1,262	1,333	1,294	1,323	954	840
<b>Public Safety</b>						
Police						
Calls for service	31,624	34,362	31,077	30,860	27,296	32,863
Citations issued	6,622	6,230	5,798	5,771	4,710	4,465
Criminal cases investigated	1,123	1,172	1,208	1,372	1,362	1,525
Total arrests	925	767	859	926	826	906
Animal control incidents	469	447	457	509	391	303
Dog licenses issued	219	258	298	278	223	195
Fire (West Metro Fire-Rescue District)						
Calls for service	1,448	1,663	1,514	1,573	1,922	1,856
Inspections, plan reviews and consultations	747	808	824	746	880	691
<b>Public Works</b>						
Miles of streets sealcoated	5	*	*	*	0	0
Miles of streets reconstructed	6	0	5	5	5	0
Phase of 16-phase street project	Phase 13		Phase 14	Phase 15	Phase 16	
<b>Parks and Recreation</b>						
Recreation program participants	10,600	13,847	12,149	11,082	11,623	13,615
No. of teams in team sports	212	212	216	249	228	246
No. of participants in special events	3,897	5,425	4,542	5,382	4,690	6,292
No. of rental groups	229	218	201	**	**	**
No. of facility rentals	**	**	**	711	1,022	970
Community Center permits	684	680	671	862	957	776
Pool attendance	30,009	28,042	28,092	26,769	27,098	30,350
<b>Community Development</b>						
Permit inspections	2,868	2,779	2,771	2,430	2,835	2,704
Code enforcement incidents	1,332	1,482	1,539	1,514	1,405	1,317
Rental housing - no. of licensed units	2,788	2,859	2,548	2,915	2,831	2,715
Point of sale inspections/re-inspections	468	442	404	13	13	***
Planning Commission applications	16	12	6	12	11	13
<b>Utilities</b>						
Water system						
Average residential consumption (million gallons / day)	1.34 Mg/d	1.26 Mg/d	1.22 Mg/d	1.20 Mg/d	1.60 Mg/d	1.40 Mg/d

\* The sealcoat program was phased out after 2013. Mill and overlay will be used going forward.

\*\* Effective 2016, it was determined that number of facility rentals was a better measure of reporting than number of rental groups. Only that indicator will be presented on a prospective basis.

\*\*\* The point of sale program was phased out in 2015-2016.

Source: Various city departments

Table 16

2019	2020	2021	2022
23	9	13	20
850	807	802	821
30,216	26,568	32,338	37,203
2,588	2,940	2,982	1,667
217	217	2,897	2,995
756	711	475	1,005
245	295	290	318
2	0	0	0
840	781	890	959
428	675	1,260	1,327
0	0	0	4
0	0	0	0.38
19,277	2,465	15,884	17,987
232	162	177	192
5,039	400	8,747	5,380
**	**	**	**
755	296	885	623
884	677	792	1,131
26,631	0	14,870	14,261
3,262	3,034	3,683	3,573
1,583	1,294	1,288	1,277
2,702	2,736	2,725	2,713
***	***	***	***
8	6	7	10
1.40 Mg/d	1.21 Mg/d	1.21 Mg/d	1.21 Mg/d

**City of Crystal**  
**Capital Asset Statistics By Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

Function	2013	2014	2015	2016	2017
Public Safety					
Police					
Number of stations	1	1	1	1	1
Public Works					
Street maintenance					
Miles of city street	91	91	91	90	90
Parks and Recreation					
Recreation					
Number of park acres	253	253	253	263	263
Number of parks	28	28	28	27	27
Number of parks with playground apparatus	20	20	20	19	19
Number of tennis courts	12	12	12	7	7
Number of outdoor pickleball courts					
Number of supervised ice skating rinks					
Hockey	4	4	4	4	3
General use	3	3	3	3	2
Number of baseball fields					
General use	2	2	2	2	2
Grogan Park (Little League) Fields	3	3	3	3	3
Number of softball fields					
Reservable	7	7	7	7	7
Non-reservable (neighborhood park backstop)	15	15	10	7	7
Number of full-size soccer fields	2	2	2	2	2
C Number of skateboard parks	1	1	1	1	1
W Number of centers	1	1	1	1	1
Number of facilities	1	1	1	1	1
Utilities					
Water system					
Miles of water main (owned by city)	90	90	90	90	93
Number of service connections	7,812	7,817	7,830	7,841	7,841
Number of fire hydrants	821	821	823	823	797
Sewer system					
Miles of sanitary sewer	87	87	87	87	87
Number of service connections	7,827	7,837	7,845	7,855	7,855
Number of lift stations	7	7	7	7	7
Storm drainage system					
Miles of storm sewer	74	76	76	77	65
Number of lift stations	1	1	1	1	1

Note: No capital asset indicators are available for the general government and community development functions.

Source: Various city departments

Table 17

2018	2019	2020	2021	2022
1	1	1	1	1
90	88	91	91	91
261	261	261	261	261
26	26	26	26	26
19	19	19	19	19
7	7	6	6	3
				8
3	3	4	4	4
2	2	4	4	3
2	2	2	2	2
3	3	3	3	3
5	5	5	5	5
7	7	4	4	4
2	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
93	93	93	93	93
7,849	7,856	8,010	8,010	8,010
797	859	798	798	798
87	87	87	87	87
7,863	7,863	8,129	8,129	8,129
7	7	7	7	7
65	65	66	66	66
1	1	1	1	1