

ANNUAL FINANCIAL REPORT

CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Alexandria, Minnesota
Annual Financial Report
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INTRODUCTORY SECTION
CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
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City of Alexandria, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2024

Elected

Name	Title	Term Expires
Bobbie Osterberg	Mayor	12/31/2028
Bill Franzen	Council	12/31/2026
Roger Thalman	Council	12/31/2026
Scott Allen	Council	12/31/2028
Nicole Mace	Council	12/31/2026
Carl Kvale	Council	12/31/2028

Appointed

Martin Schultz	City Administrator	
Kelsey Deling	HR Director	
Reed Heidelberger	City Assessor	
Mike Weber	Community Development Director	
Jane Blade	Finance Director	Retired 1/10/2025
Heather Koskiniemi	Finance Director	Effective 1/10/2025
Jeff Karrow	Fire Chief	
Andy Mellgren	Liquor Operations Manager	
Scott Kent	Chief of Police	
Bill Thoennes	Public Works Director - Parks and Facilities	
Dane Bosl	Public Works Director - Streets and Stormwater	
Vinnie Hennen	Runestone Community Center Manager	
Thomas Jacobson	City Attorney	
Blaine Green	City Engineer	
Lynn Timm	Building Official	
Jeff Karrow	Emergency Management Director	

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FINANCIAL SECTION
CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Alexandria, Minnesota

Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Change in Accounting Principle

As described in Note 10 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Schedule of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedule of Employer's Contributions, the related note disclosures, and the Schedule of Changes in the City's OPEB Liability and Related Ratios starting on page 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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June 10, 2025



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Management's Discussion and Analysis

As management of the City of Alexandria, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

Financial Highlights – Government-wide financial statements

- 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 as shown in the summary of net position on the following pages. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net position table on the following pages. Both business-type activities and governmental activities had increases, a majority of the increase relates to increases in investment earnings and capital grants and contributions.

Financial Highlights – Fund financial statements

- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Fund section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to increased investment earnings.

Overview of the Financial Statements

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

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

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

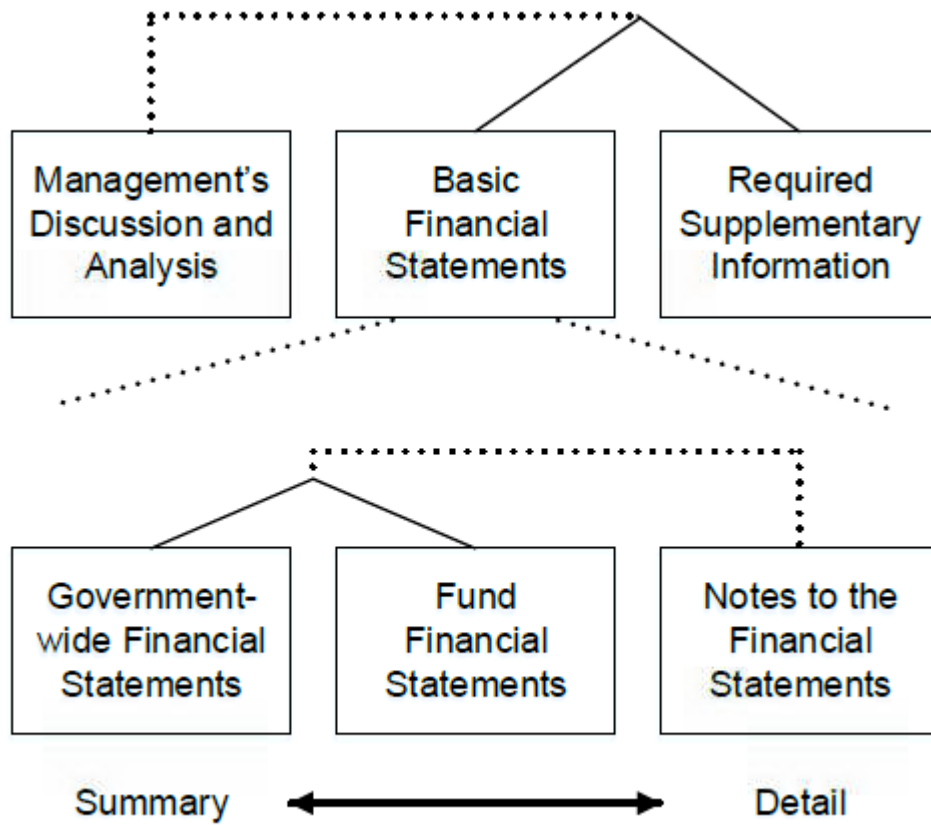


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

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

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

The *statement of net position* presents information on all of the City’s assets and liabilities with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. There are many additional non-financial factors to assess the overall health of the City, such as changes in the City’s property tax base and the condition of the City’s infrastructure and other capital assets.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*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, economic development, culture and recreation, interest on long-term debt and airport. The business-type activities of the City includes two municipal liquor stores and storm water utility. The City's water and electric utility operations are included as a component unit.

The government-wide financial statements include not only the City itself (known as the *primary government*), as well as an economic development authority for which the City is financially accountable. The economic development authority functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found starting on page 31 of this report.

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

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the Debt Service fund, and the Capital Projects fund, all of which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 36 of this report.

Proprietary funds. The City maintains two types of proprietary fund. *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 liquor store operations and storm water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise fund which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found starting on page 41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 45 of this report.

Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to financial statements. Combining and individual fund financial statements and schedules can be found starting on page 110 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown below.

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

City of Alexandria’s Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Assets						
Current and other assets	\$ 35,371,503	\$ 24,039,537	\$ 11,331,966	\$ 4,122,934	\$ 4,177,248	\$ (54,314)
Capital assets	76,087,875	69,754,358	6,333,517	13,294,132	13,132,060	162,072
Total Assets	<u>111,459,378</u>	<u>93,793,895</u>	<u>17,665,483</u>	<u>17,417,066</u>	<u>17,309,308</u>	<u>107,758</u>
Deferred outflows of resources	<u>5,151,799</u>	<u>6,598,304</u>	<u>(1,446,505)</u>	<u>63,256</u>	<u>125,807</u>	<u>(62,551)</u>
Liabilities						
Long-term liabilities outstanding	34,141,404	23,656,835	10,484,569	1,223,878	1,555,875	(331,997)
Other liabilities	2,831,845	1,550,853	1,280,992	239,572	421,010	(181,438)
Total Liabilities	<u>36,973,249</u>	<u>25,207,688</u>	<u>11,765,561</u>	<u>1,463,450</u>	<u>1,976,885</u>	<u>(513,435)</u>
Deferred inflows of resources	<u>7,796,579</u>	<u>8,498,568</u>	<u>(701,989)</u>	<u>199,523</u>	<u>146,845</u>	<u>52,678</u>
Net Position						
Net investment in capital assets	57,209,220	54,258,808	2,950,412	12,505,752	12,161,584	344,168
Restricted	10,107,979	10,507,907	(399,928)	-	-	-
Unrestricted	4,524,150	1,919,228	2,604,922	3,311,597	3,149,801	161,796
Total Net Position	<u>\$ 71,841,349</u>	<u>\$ 66,685,943</u>	<u>\$ 5,155,406</u>	<u>\$ 15,817,349</u>	<u>\$ 15,311,385</u>	<u>\$ 505,964</u>
Net Position as a Percent of Total						
Net investment in capital assets	79.6 %	81.3 %		79.1 %	79.4 %	
Restricted	14.1	15.8		-	-	
Unrestricted	6.3	2.9		20.9	20.6	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

An additional portion of the City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City’s ongoing obligations to citizens and creditors.

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

There was an increase of in net position reported in connection with the City’s business-type activities. The Municipal Liquor Dispensary fund’s gross profit percentage has slightly increased from the previous year, currently at 26.1 percent compared to 25.2 in 2023.

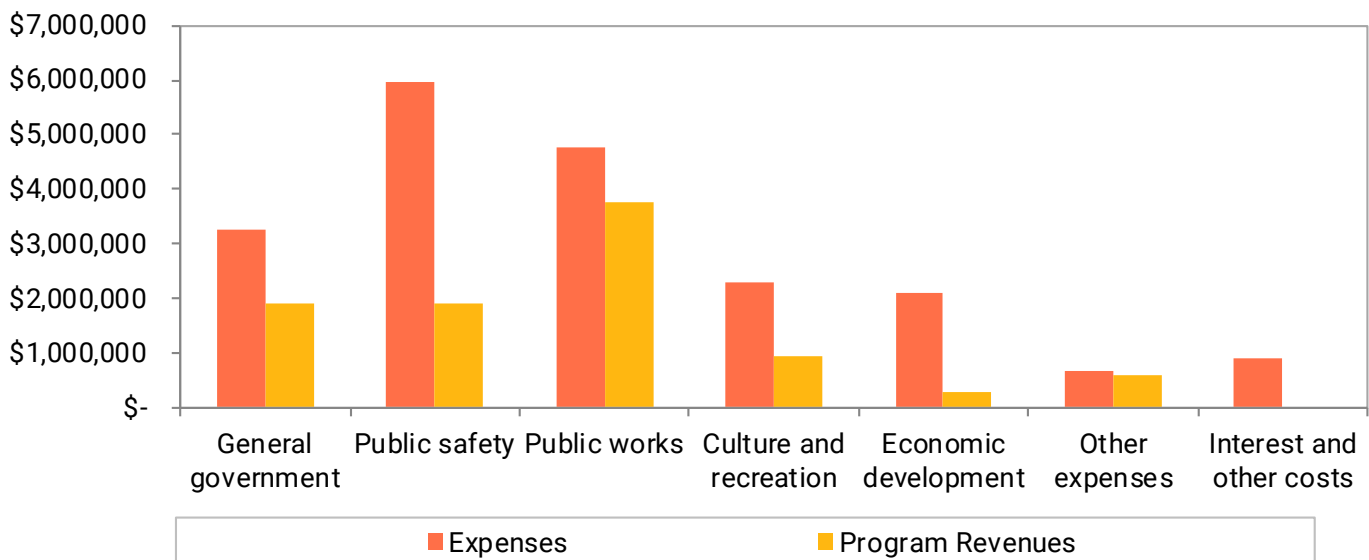
Governmental activities. The change in net position is described above and summarized as follows:

City of Alexandria's Changes in Net Position

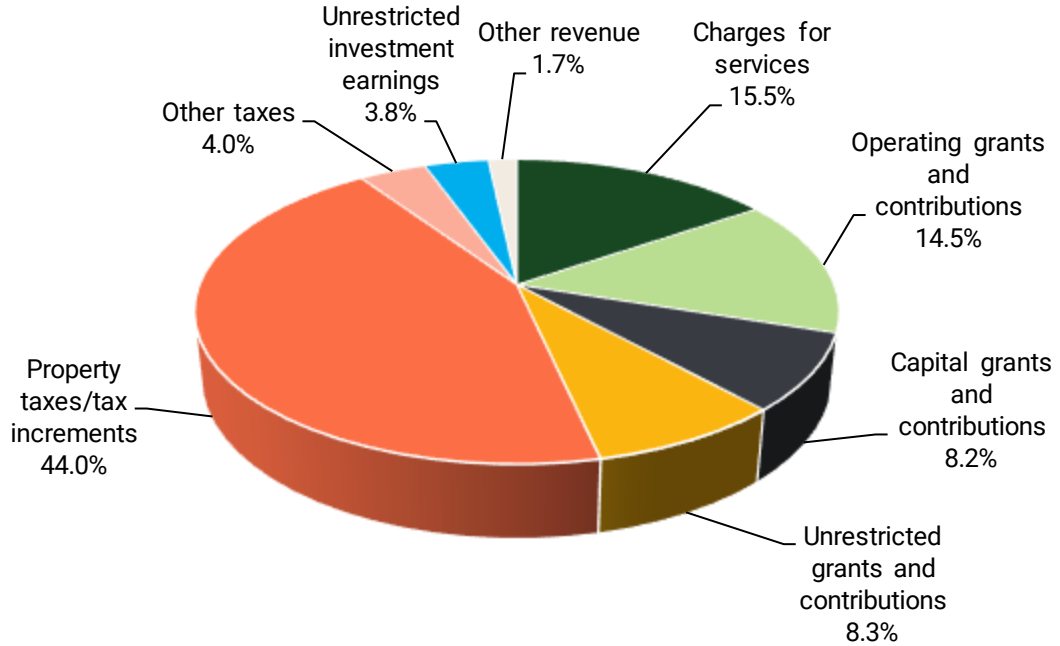
	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
Revenues								
Program Revenues								
Charges for services	\$ 3,809,857	\$ 3,697,569	\$ 112,288	\$ 8,826,010	\$ 8,967,311	\$ (141,301)	\$ 12,635,867	\$ 12,664,880
Operating grants and contributions	3,540,887	3,224,328	316,559	15,941	23,415	(7,474)	3,556,828	3,247,743
Capital grants and contributions	2,001,919	1,309,487	692,432	168,660	25,000	143,660	2,170,579	1,334,487
General Revenues								
Property taxes/tax increments	10,786,863	9,794,626	992,237	-	-	-	10,786,863	9,794,626
Other taxes	991,280	1,137,718	(146,438)	-	-	-	991,280	1,137,718
Grants and contributions not restricted to specific programs	2,037,904	2,992,142	(954,238)	-	-	-	2,037,904	2,992,142
Unrestricted investment earnings	937,223	517,561	419,662	68,317	32,240	36,077	1,005,540	549,801
Other revenues	10,639	3,021	7,618	-	-	-	10,639	3,021
Gain on sale of capital assets	394,813	-	394,813	-	-	-	394,813	-
Total Revenues	24,511,385	22,676,452	1,834,933	9,078,928	9,047,966	30,962	33,590,313	31,724,418
Expenses								
General government	3,272,470	3,423,446	(150,976)	-	-	-	3,272,470	3,423,446
Public safety	5,971,478	6,151,214	(179,736)	-	-	-	5,971,478	6,151,214
Public works	4,768,069	5,292,738	(524,669)	-	-	-	4,768,069	5,292,738
Culture and recreation	2,276,705	2,251,546	25,159	-	-	-	2,276,705	2,251,546
Economic development	2,107,697	2,005,518	102,179	-	-	-	2,107,697	2,005,518
Other expenses	661,437	550,602	110,835	-	-	-	661,437	550,602
Interest and other costs	888,820	408,906	479,914	-	-	-	888,820	408,906
Liquor	-	-	-	7,385,220	7,527,825	(142,605)	7,385,220	7,527,825
Storm water	-	-	-	597,047	580,287	16,760	597,047	580,287
Total Expenses	19,946,676	20,083,970	(137,294)	7,982,267	8,108,112	(125,845)	27,928,943	28,192,082
Changes in Net Position								
Before Transfers and Contributions	4,564,709	2,592,482	1,972,227	1,096,661	939,854	156,807	5,661,370	3,532,336
Transfers	600,647	223,773	376,874	(600,647)	(223,773)	(376,874)	-	-
Capital Contributions	(9,950)	(1,525,755)	1,515,805	9,950	1,525,755	(1,515,805)	-	-
Change in Net Position	5,155,406	1,290,500	3,864,906	505,964	2,241,836	(1,735,872)	5,661,370	3,532,336
Net Position - January 1	66,685,943	65,395,443	1,290,500	15,311,385	13,069,549	2,241,836	81,997,328	78,464,992
Net Position - December 31	\$ 71,841,349	\$ 66,685,943	\$ 5,155,406	\$ 15,817,349	\$ 15,311,385	\$ 505,964	\$ 87,658,698	\$ 81,997,328

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

Expenses and Program Revenues - Governmental Activities

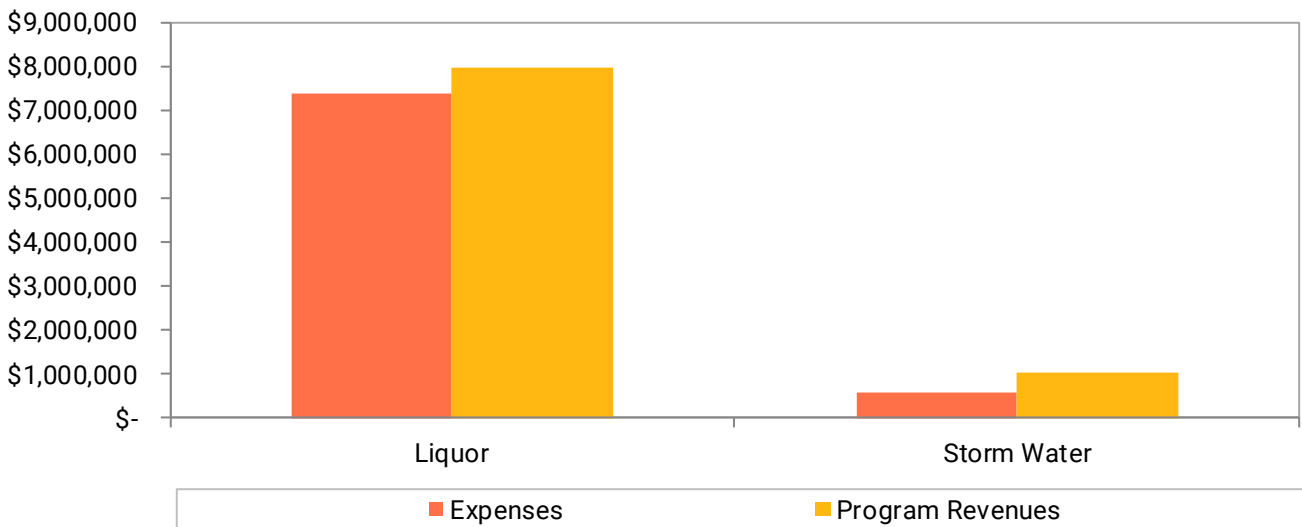


Revenues by Source - Governmental Activities



Business-type activities. Key elements of the increase in net position are summarized in the proprietary funds section on the following page.

Expenses and Program Revenues - Business-type Activities



Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2024:

	General Fund	Debt Service Fund	Capital Project Fund	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	\$ 17,685	\$ -	\$ 37,390	\$ -	\$ 55,075	\$ 17,844	\$ 37,231
Restricted	601,873	3,133,211	9,338,912	4,009,778	17,083,774	8,369,693	8,714,081
Committed	42,453	-	5,616,285	306,055	5,964,793	5,315,334	649,459
Assigned for	-	-	-	-	-	54,551	(54,551)
Unassigned	7,482,095	-	(5,351,545)	-	2,130,550	1,401,378	729,172
	<u>\$ 8,144,106</u>	<u>\$ 3,133,211</u>	<u>\$ 9,641,042</u>	<u>\$ 4,315,833</u>	<u>\$ 25,234,192</u>	<u>\$ 15,158,800</u>	<u>\$ 10,075,392</u>

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances as shown above, an increase in comparison with the prior year.

The General fund is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 17,685	\$ 15,828	\$ 1,857
Restricted	601,873	653,400	(51,527)
Committed	42,453	40,748	1,705
Unassigned	7,482,095	6,504,603	977,492
Total	<u>\$ 8,144,106</u>	<u>\$ 7,214,579</u>	<u>\$ 929,527</u>
General Fund expenditures	\$ 12,425,342	\$ 10,758,763	
Unassigned as a percent of expenditures	60.2%	60.5%	
Total Fund Balance as a percent of expenditures	65.5%	67.1%	

The fund balance of the City's General fund increased during the current fiscal year. The key factors to this net increase are listed on the following page under General Fund Budgetary Highlights.

Other major governmental fund analysis is shown below:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Debt Service fund	\$ 3,133,211	\$ 3,406,356	\$ (273,145)
<i>The Debt Service fund decrease in fund balance during the year was due to scheduled principal and interest payments made on bonds during the year.</i>			
Capital Projects fund	\$ 9,641,042	\$ 400,450.00	\$ 9,240,592.00
<i>The Capital Projects fund increase during the year was due to issuing debt for the Runestone Community Center project.</i>			

Proprietary Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City’s proprietary funds increased or (decreased) as follows:

	Ending Net Position 2024	Ending Net Position 2023	Increase/ (Decrease)
Downtown Liquor <i>The increase primarily is attributed to the decrease in cost of sales during the current year.</i>	\$ 888,084	\$ 856,542	\$ 31,542
Plaza Liquor <i>The increase primarily is attributed to increased sales during the current year.</i>	\$ 1,485,592	\$ 1,357,400	\$ 128,192
Storm Water Utility <i>The increase primarily is attributed to capital contributions received in the current year.</i>	\$ 13,443,673	\$ 13,097,443	\$ 346,230

General Fund Budgetary Highlights

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 12,180,535	\$ 12,998,613	\$ 818,078
Expenditures	12,545,535	12,425,342	120,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(365,000)</u>	<u>573,271</u>	<u>938,271</u>
Other Financing Sources (Uses)			
Transfers in	375,000	456,256	81,256
Transfers out	(10,000)	(100,000)	(90,000)
Total Other Financing Sources (Uses)	<u>365,000</u>	<u>356,256</u>	<u>(8,744)</u>
Net Change in Fund Balances	-	929,527	929,527
Fund Balances, January 1	<u>7,214,579</u>	<u>7,214,579</u>	-
Fund Balances, December 31	<u>\$ 7,214,579</u>	<u>\$ 8,144,106</u>	<u>\$ 929,527</u>

The City’s General fund budget was not amended during the year. Revenues exceeded expectations and the expenditures were under the budgeted amounts as shown above.

Some highlights include:

- Building permit revenues for the year exceeded budget by \$350,665 due to an increase in permits issued for commercial projects and single-family dwellings over the previous year.
- Township inspection fees exceeded budget by \$38,439 due to increased building in Alexandria Township.
- Special Police Services revenue, was over budget by \$52,648 due to a contract change for timing of payments for police services.
- Runestone Community Center revenues were \$773,783, which was \$7,152 under budget. RCC expenditures were also under budget by \$21,498.
- Police State Aid was over budget by \$47,143 largely due to the Police force being fully staffed.
- Investment earnings were over budget by \$254,832, mostly due to the book adjustment to market value on investments required by GASB Statement No. 31: Accounting and Financial Reporting for Certain Investments and for External Investment Pools. It is important to note that the adjustment is based on the market value of the investments as of December 31, 2023; the City’s investments when purchased are intended to be held to maturity, therefore not affected by market fluctuations.

- Warmer weather along with other factors caused a decrease in Franchise fees from Natural Gas, the total received for 2024 was under budget by \$119,005.
- Motor fuels, City wide, was under budget by \$68,160, due mainly to warmer weather.
- Other State Revenue, City wide, exceeded budget by \$40,474, due mostly to unbudgeted funds received for public safety.
- Total transfer revenues for the City's General fund were over budget by \$153,485 due largely to the allocation of Public Safety Aid and Limited funds for IT Department and Police Department wages.
- The City Council authorized a General Fund transfer after the allocation of the remaining ARPA funds for Police Department wages resulting in the General Government transfer expenditure being over budget by \$734,191.
- Insurance premium expenditures was under budget by \$41,153.
- Software License and Support, City wide, was over budget by \$43,883 due mainly to the migration to M365.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2024, is shown in the table below (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities and roads.

Major capital assets purchased or constructed during the current fiscal year include the following:

- Police Department, Bluum Audio/Video Equipment - Training Room - \$63,650
- Parks Department, 2024 John Deere Wide Area Mower - \$80,000
- Parks Department, Noonans Park - Playground Equipment - \$173,796
- General Government, Land - Douglas County Fairgrounds Plat - \$616,683
- General Government, Land - ATCC Addition - \$81,400
- Runestone Community Center, 2014 Zamboni Model 546 - \$35,000
- Runestone Community Center, 2014 Zamboni Model 546 - \$35,000
- Street Department, Seasons Drive - \$462,151
- Street Department, Summer Lane - \$138,045
- Street Department, Snowbird Lane - \$96,458
- Street Improvements, Hawthorne Street - \$242,777
- Street Improvements, Jefferson Street - \$658,960
- Street Department, 18th Avenue Reconstruction - \$2,927,934
- Storm Sewer Improvements including 18th Avenue Reconstruction, Rosewood Lane Regional Pond, Jefferson St and Hawthorne St - \$1,791,053.82
- Street Improvements including portions of Hustad St, Donna Ave, Broadway St, 2nd Ave E, Kenwood St, Lake St, Maple St, 10th Ave, 7th Ave, 9th Ave, Oak St and Shoreview Drive - \$476,236

Additional information on the City's capital assets can be found in Note 3C starting on page 59 of this report.

City of Alexandria's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities			Total		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 3,579,486	\$ 2,887,178	\$ 692,308	\$ 101,413	\$ 101,413	\$ -	\$ 3,680,899	\$ 2,988,591	\$ 692,308
Buildings	11,353,412	11,977,968	(624,556)	47,914	77,436	(29,522)	11,401,326	12,055,404	(654,078)
Improvements Other than Buildings	43,295,269	40,943,045	2,352,224	12,558,118	10,965,949	1,592,169	55,853,387	51,908,994	3,944,393
Machinery and Equipment	8,035,847	8,380,478	(344,631)	170,253	191,752	(21,499)	8,206,100	8,572,230	(366,130)
Construction in Progress	9,823,861	5,565,689	4,258,172	416,434	1,795,510	(1,379,076)	10,240,295	7,361,199	2,879,096
Total	\$ 76,087,875	\$ 69,754,358	\$ 6,333,517	\$ 13,294,132	\$ 13,132,060	\$ 162,072	\$ 89,382,007	\$ 82,886,418	\$ 6,495,589
Percent increase (decrease)			9.1%			1.2%			7.8%

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding as shown above. All of the City's bonds are backed by the full faith and credit of the City.

City of Alexandria's Outstanding Debt

	Governmental Activities			Business-type Activities			Total		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
General Obligation Bonds	\$ 24,085,000	\$ 11,575,000	\$ 12,510,000	\$ -	\$ -	\$ -	\$ 24,085,000	\$ 11,575,000	\$ 12,510,000
General Obligation									
Improvement Bonds	625,000	1,615,000	(990,000)	740,000	910,000	(170,000)	1,365,000	2,525,000	(1,160,000)
Hangar Loan	643,363	678,619	(35,256)	-	-	-	643,363	678,619	(35,256)
Financed Purchase Arrangements	1,730,322	1,886,547	(156,225)	-	-	-	1,730,322	1,886,547	(156,225)
Leases	287,221	419,666	(132,445)	-	-	-	287,221	419,666	(132,445)
Total	\$ 27,370,906	\$ 16,174,832	\$ 11,196,074	\$ 740,000	\$ 910,000	\$ (170,000)	\$ 28,110,906	\$ 17,084,832	\$ 11,026,074
Percent increase (decrease)			69.2%			-18.7%			64.5%

The City's total debt increased during the current fiscal year as shown above.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes.

Taxable Market Value	3 percent	Net Debt Applicable to Limit	Over/ (Under) Limit
\$ 2,343,251,480	\$ 70,297,544	\$ 24,085,000	\$ (46,212,544)

Additional information on the City's long-term debt can be found in Note 3F starting on page 64 of this report.

Economic Factors and Next Year's Budgets and Rates

The Budget Committee and then the City Council looked comprehensively at a number of external and internal factors in crafting the 2025 budget.

- As is customary, the City Council reviewed not only the proposed 2025 budget but also considered a multi-year projection when discussing the 2025 budget.
- Property value increases and growth through new construction contributed to a 9.1% increase in tax capacity from 2024 to 2025.
- The overall property tax levy increased by 5.81% for 2025.
- Alexandria has a pull factor index of 2.80, according to the 2022 Retail Trade Analysis of Alexandria prepared by the University of Minnesota Extension Center for Community Vitality. This study was released in May 2024 and used data from 2022. The pull factor compares local taxable sales per capita to that of the state. A pull factor greater than 1.0 indicates that businesses are pulling in customers from outside the community. Alexandria ranked #1 statewide in the index of "pulling power" of the eleven cities outside the metro area with populations between 9,300 and 17,400. Those population numbers represent cities +/- 30% of the population of Alexandria.
- Alexandria continues to see positive trends in population growth. The Minnesota State Demographer estimated the population of Alexandria was 15,263 on April 1, 2022, which is a 3.9% increase from the population on April 1, 2021

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Alexandria, 704 Broadway, Alexandria, Minnesota 56308.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Alexandria, Minnesota
Statement of Net Position
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	ALP Utilities
Assets				
Cash and temporary investments	\$ 25,576,520	\$ 2,739,641	\$ 28,316,161	\$ 33,321,580
Restricted debt service reserve deposits	-	-	-	1,666,806
Receivables				
Interest	87,353	-	87,353	61,066
Delinquent taxes	114,264	-	114,264	-
Accounts, net of allowance	331,627	51,161	382,788	1,135,411
Notes and loans, net of allowance	1,918,461	-	1,918,461	-
Leases	858,844	-	858,844	-
Special assessments	3,036,568	-	3,036,568	704
Intergovernmental	2,002,254	-	2,002,254	-
Internal balances	55,090	(55,090)	-	-
Due from component unit	589,612	66,639	656,251	-
Inventories	-	1,319,983	1,319,983	3,208,967
Prepaid items	55,075	600	55,675	278,188
Net pension asset	745,835	-	745,835	-
Capital assets				
Capital assets not being depreciated/amortized	13,403,347	517,847	13,921,194	7,384,861
Capital assets net of accumulated depreciation/amortization	62,684,528	12,776,285	75,460,813	70,132,254
Total Assets	<u>111,459,378</u>	<u>17,417,066</u>	<u>128,876,444</u>	<u>117,189,837</u>
Deferred Outflows of Resources				
Deferred pension resources	4,600,127	58,734	4,658,861	269,983
Deferred other postemployment benefit resources	551,672	4,522	556,194	1,857
Total Deferred Outflows of Resources	<u>5,151,799</u>	<u>63,256</u>	<u>5,215,055</u>	<u>271,840</u>
Liabilities				
Accounts and contracts payable	1,655,681	127,734	1,783,415	2,667,608
Due to other governments	17,146	72,446	89,592	1,013,523
Accrued interest payable	512,892	6,896	519,788	75,233
Accrued salaries payable	343,343	32,496	375,839	60,043
Due to primary government	-	-	-	656,251
Deposits payable	183,830	-	183,830	396,908
Other current liabilities	-	-	-	241,826
Unearned revenue	118,953	-	118,953	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	2,137,866	229,342	2,367,208	1,215,233
Other postemployment benefits liability	18,832	113	18,945	-
Due in more than one year				
Long-term liabilities	27,312,613	693,737	28,006,350	16,730,376
Net pension liability	3,759,988	295,252	4,055,240	1,403,875
Other postemployment benefits liability	912,105	5,434	917,539	29,197
Total Liabilities	<u>36,973,249</u>	<u>1,463,450</u>	<u>38,436,699</u>	<u>24,490,073</u>
Deferred Inflows of Resources				
Deferred lease resources	873,650	-	873,650	-
Deferred pension resources	5,380,947	195,489	5,576,436	1,024,405
Deferred other postemployment benefit resources	225,496	4,034	229,530	39,832
Advance from other government	1,316,486	-	1,316,486	-
Total Deferred Inflows of Resources	<u>7,796,579</u>	<u>199,523</u>	<u>7,996,102</u>	<u>1,064,237</u>
Net Position				
Net investment in capital assets	57,209,220	12,505,752	69,714,972	65,650,172
Restricted for				
Fire relief pension	745,835	-	745,835	-
Debt service	4,287,967	-	4,287,967	1,666,806
Public safety	592,146	-	592,146	-
Wellness	9,727	-	9,727	-
Capital outlay	462,526	-	462,526	-
Economic development	4,009,778	-	4,009,778	-
Unrestricted	4,524,150	3,311,597	7,835,747	24,590,389
Total Net Position	<u>\$ 71,841,349</u>	<u>\$ 15,817,349</u>	<u>\$ 87,658,698</u>	<u>\$ 91,907,367</u>

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

City of Alexandria, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,272,470	\$ 421,297	\$ 785,160	\$ 692,308
Public safety	5,971,478	1,066,192	817,765	12,500
Public works	4,768,069	1,040,036	1,623,949	1,082,032
Culture and recreation	2,276,705	772,928	170,087	-
Economic development	2,107,697	186,323	101,341	-
Airport	661,437	323,081	42,585	215,079
Interest and other costs	888,820	-	-	-
Total Governmental Activities	<u>19,946,676</u>	<u>3,809,857</u>	<u>3,540,887</u>	<u>2,001,919</u>
Business-type Activities				
Liquor	7,385,220	7,953,380	13,441	-
Storm Water Utility	597,047	872,630	2,500	168,660
Total business-type activities	<u>7,982,267</u>	<u>8,826,010</u>	<u>15,941</u>	<u>168,660</u>
Total Primary Government	<u>\$ 27,928,943</u>	<u>\$ 12,635,867</u>	<u>\$ 3,556,828</u>	<u>\$ 2,170,579</u>
Component Unit				
ALP Utilities	<u>\$ 28,292,100</u>	<u>\$ 32,597,476</u>	<u>\$ -</u>	<u>\$ 704</u>

General Revenues

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Tax increments
- Lodging tax
- Franchise taxes
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Gain on sale of capital assets
- Other revenues

Transfers

Transfers of capital assets

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	ALP Utilities
\$ (1,373,705)		\$ (1,373,705)	
(4,075,021)		(4,075,021)	
(1,022,052)		(1,022,052)	
(1,333,690)		(1,333,690)	
(1,820,033)		(1,820,033)	
(80,692)		(80,692)	
(888,820)		(888,820)	
<u>(10,594,013)</u>		<u>(10,594,013)</u>	
-	581,601	581,601	
-	446,743	446,743	
-	<u>1,028,344</u>	<u>1,028,344</u>	
<u>(10,594,013)</u>	<u>1,028,344</u>	<u>(9,565,669)</u>	
			<u>\$ 4,306,080</u>
8,183,060	-	8,183,060	-
1,085,027	-	1,085,027	-
1,518,776	-	1,518,776	-
467,199	-	467,199	-
524,081	-	524,081	-
2,037,904	-	2,037,904	-
937,223	68,317	1,005,540	1,014,512
394,813	-	394,813	-
10,639	-	10,639	52,485
600,647	(600,647)	-	-
(9,950)	9,950	-	-
<u>15,749,419</u>	<u>(522,380)</u>	<u>15,227,039</u>	<u>1,066,997</u>
5,155,406	505,964	5,661,370	5,373,077
<u>66,685,943</u>	<u>15,311,385</u>	<u>81,997,328</u>	<u>86,534,290</u>
<u>\$ 71,841,349</u>	<u>\$ 15,817,349</u>	<u>\$ 87,658,698</u>	<u>\$ 91,907,367</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Alexandria, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and temporary investments	\$ 8,261,891	\$ 3,120,140	\$ 11,730,851	\$ 2,463,638	\$ 25,576,520
Receivables					
Interest	87,353	-	-	-	87,353
Delinquent taxes	76,171	21,151	8,435	8,507	114,264
Accounts	292,276	-	20,336	19,015	331,627
Notes and loans, net of allowance	-	-	-	1,918,461	1,918,461
Special assessments	11,387	1,646,497	1,378,684	-	3,036,568
Intergovernmental	77,967	14,552	1,903,802	5,933	2,002,254
Leases	630,245	-	228,599	-	858,844
Due from other funds	55,090	-	-	-	55,090
Due from component unit	80,685	-	508,927	-	589,612
Prepaid items	17,685	-	37,390	-	55,075
Total Assets	\$ 9,590,750	\$ 4,802,340	\$ 15,817,024	\$ 4,415,554	\$ 34,625,668
Liabilities					
Accounts payable	\$ 299,091	\$ 1,481	\$ 914,727	\$ 91,214	\$ 1,306,513
Contracts payable	-	-	349,168	-	349,168
Due to other governments	17,146	-	-	-	17,146
Accrued salaries payable	343,343	-	-	-	343,343
Deposits payable	57,017	-	126,813	-	183,830
Unearned revenue	-	-	118,953	-	118,953
Total Liabilities	716,597	1,481	1,509,661	91,214	2,318,953
Deferred Inflows of Resources					
Deferred lease resources	642,489	-	231,161	-	873,650
Unavailable revenue - taxes	76,171	21,151	8,435	8,507	114,264
Unavailable revenue - special assessments	11,387	1,646,497	1,378,684	-	3,036,568
Unavailable revenue - intergovernmental	-	-	1,731,555	-	1,731,555
Advance from other government	-	-	1,316,486	-	1,316,486
Total Deferred Inflows of Resources	730,047	1,667,648	4,666,321	8,507	7,072,523
Fund Balances					
Nonspendable for					
Prepaid items	17,685	-	37,390	-	55,075
Restricted for					
Debt service	-	3,133,211	-	-	3,133,211
Public safety	592,146	-	-	-	592,146
Wellness	9,727	-	-	-	9,727
Capital outlay	-	-	9,338,912	-	9,338,912
Economic development	-	-	-	4,009,778	4,009,778
Committed for					
Capital outlay	-	-	4,893,717	-	4,893,717
Payment of benefits	-	-	-	462	462
Firefighter's retirement obligation	-	-	-	108,207	108,207
Economic development	-	-	-	84,167	84,167
Tree Preservation	-	-	-	94,965	94,965
Sanitary sewer district appropriations	-	-	-	18,254	18,254
Wellness	42,453	-	-	-	42,453
Capital outlay	-	-	722,568	-	722,568
Unassigned	7,482,095	-	(5,351,545)	-	2,130,550
Total Fund Balances	8,144,106	3,133,211	9,641,042	4,315,833	25,234,192
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,590,750	\$ 4,802,340	\$ 15,817,024	\$ 4,415,554	\$ 34,625,668

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

City of Alexandria, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2024

Total Fund Balances - Governmental Funds	\$ 25,234,192
Amounts reported for governmental activities in the statement of net position are different because	
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	745,835
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	76,087,875
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Compensated absences payable	(1,114,022)
Other postemployment benefit liability	(930,937)
Bonds payable	(24,710,000)
Leases payable	(287,221)
Finance purchase arrangements	(1,730,322)
Loans payable	(643,363)
Bond premium and discount, net of accumulated amortization	(965,551)
Net pension liability	(3,759,988)
Long-term assets are not available to pay current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	
Delinquent property taxes receivable	114,264
Special assessments receivable	3,036,568
Intergovernmental receivable	1,731,555
Governmental funds do not report long-term amounts related to pensions and other post employment benefits	
Deferred outflows of resources - pension resources	4,600,127
Deferred outflows of resources - other post employment benefits	551,672
Deferred inflows of resources - pension resources	(5,380,947)
Deferred inflows of resources - other post employment benefits	(225,496)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(512,892)</u>
Total Net Position - Governmental Activities	<u>\$ 71,841,349</u>

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

City of Alexandria, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Totals
Revenues					
Taxes	\$ 6,803,351	\$ 1,606,441	\$ 699,311	\$ 2,628,882	\$ 11,737,985
Payment in lieu of taxes	1,029,351	-	-	-	1,029,351
Special assessments	2,312	96,058	361,328	-	459,698
Licenses and permits	1,037,287	-	-	-	1,037,287
Intergovernmental	2,407,509	39,524	1,832,607	321,790	4,601,430
Charges for services	1,104,903	-	403,509	130,750	1,639,162
Fines and forfeits	100,244	-	-	-	100,244
Investment earnings	409,158	62,692	382,086	138,655	992,591
Other revenue	104,498	12,594	256,495	2,418	376,005
Total Revenues	<u>12,998,613</u>	<u>1,817,309</u>	<u>3,935,336</u>	<u>3,222,495</u>	<u>21,973,753</u>
Expenditures					
Current					
General government	3,127,774	-	-	-	3,127,774
Public safety	5,251,600	-	-	220,377	5,471,977
Public works	1,934,110	-	973	604,785	2,539,868
Culture and recreation	1,752,857	-	-	-	1,752,857
Economic development	-	-	-	2,107,697	2,107,697
Airport	224,808	-	7,870	-	232,678
Capital outlay					
General government	10,114	-	113,640	-	123,754
Public safety	104,834	-	162,953	-	267,787
Public works	-	-	1,957,878	-	1,957,878
Culture and recreation	5,445	-	6,371,903	-	6,377,348
Airport	13,800	-	138,334	-	152,134
Debt service					
Principal	-	1,980,000	323,926	-	2,303,926
Interest and other	-	355,709	285,296	-	641,005
Total Expenditures	<u>12,425,342</u>	<u>2,335,709</u>	<u>9,362,773</u>	<u>2,932,859</u>	<u>27,056,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>573,271</u>	<u>(518,400)</u>	<u>(5,427,437)</u>	<u>289,636</u>	<u>(5,082,930)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	441,950	-	441,950
Transfers in	456,256	245,255	355,609	170,000	1,227,120
Debt issued	-	-	13,500,000	-	13,500,000
Bond premium	-	-	615,725	-	615,725
Transfers out	(100,000)	-	(245,255)	(281,218)	(626,473)
Total Other Financing Sources (Uses)	<u>356,256</u>	<u>245,255</u>	<u>14,668,029</u>	<u>(111,218)</u>	<u>15,158,322</u>
Net Change in Fund Balances	929,527	(273,145)	9,240,592	178,418	10,075,392
Fund Balances, January 1	<u>7,214,579</u>	<u>3,406,356</u>	<u>400,450</u>	<u>4,137,415</u>	<u>15,158,800</u>
Fund Balances, December 31	<u>\$ 8,144,106</u>	<u>\$ 3,133,211</u>	<u>\$ 9,641,042</u>	<u>\$ 4,315,833</u>	<u>\$ 25,234,192</u>

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

City of Alexandria, Minnesota
Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2024

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

Net Change in Fund Balances - Governmental Funds	\$ 10,075,392
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	8,678,270
Depreciation expense	(3,689,128)
Capital contributions to other funds	(9,950)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Contributed capital assets	1,401,462
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations)</p>	
Gain on trade-in of capital assets	(22,000)
Disposal of capital assets	(25,137)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Debt issued or incurred	(13,500,000)
Principal repayments	2,303,926
Premium/discount on bonds issued, net of amortization expense	(546,548)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	207,976
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	(316,992)
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Property taxes	12,064
Special assessments	(130,231)
State grants	868,718
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(91,521)
Other postemployment benefit expense	(60,895)
Change in Net Position - Governmental Activities	\$ 5,155,406

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

City of Alexandria, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2024

	General		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original and Final		
Revenues			
Taxes	\$ 6,994,997	\$ 6,803,351	\$ (191,646)
Payment in lieu of taxes	1,010,000	1,029,351	19,351
Special assessments	-	2,312	2,312
Licenses and permits	635,000	1,037,287	402,287
Intergovernmental	2,337,965	2,407,509	69,544
Charges for services	1,000,573	1,104,903	104,330
Fines and forfeits	101,000	100,244	(756)
Investment earnings	40,000	409,158	369,158
Other revenue	61,000	104,498	43,498
Total Revenues	<u>12,180,535</u>	<u>12,998,613</u>	<u>818,078</u>
Expenditures			
Current			
General government	3,147,788	3,127,774	20,014
Public safety	5,164,239	5,251,600	(87,361)
Public works	2,122,626	1,934,110	188,516
Culture and recreation	1,786,472	1,752,857	33,615
Airport	227,410	224,808	2,602
Capital outlay			
General government	5,500	10,114	(4,614)
Public safety	67,000	104,834	(37,834)
Public works	10,000	-	10,000
Culture and recreation	11,500	5,445	6,055
Airport	3,000	13,800	(10,800)
Total Expenditures	<u>12,545,535</u>	<u>12,425,342</u>	<u>120,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(365,000)</u>	<u>573,271</u>	<u>938,271</u>
Other Financing Sources (Uses)			
Transfers in	375,000	456,256	81,256
Transfers out	<u>(10,000)</u>	<u>(100,000)</u>	<u>(90,000)</u>
Total Other Financing Sources (Uses)	<u>365,000</u>	<u>356,256</u>	<u>(8,744)</u>
Net Change in Fund Balances	-	929,527	929,527
Fund Balances, January 1	<u>7,214,579</u>	<u>7,214,579</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 7,214,579</u>	<u>\$ 8,144,106</u>	<u>\$ 929,527</u>

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

City of Alexandria, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

	609 Downtown Liquor	610 Plaza Liquor	211 Storm Water Utility	Totals
Assets				
Current Assets				
Cash and temporary investments	\$ 358,300	\$ 1,119,670	\$ 1,261,671	\$ 2,739,641
Receivables				
Accounts	22,411	28,750	-	51,161
Due from component unit	-	-	66,639	66,639
Inventories	663,280	656,703	-	1,319,983
Prepaid items	300	300	-	600
Total Current Assets	<u>1,044,291</u>	<u>1,805,423</u>	<u>1,328,310</u>	<u>4,178,024</u>
Noncurrent Assets				
Capital assets				
Land	68,603	32,810	-	101,413
Buildings	439,516	624,364	8,346	1,072,226
Equipment	194,303	206,847	3,536	404,686
Other improvements	45,487	48,789	23,353,924	23,448,200
Construction in progress	-	-	416,434	416,434
Less accumulated depreciation	(576,786)	(746,180)	(10,825,861)	(12,148,827)
Total Capital Assets (Net of Accumulated Depreciation)	<u>171,123</u>	<u>166,630</u>	<u>12,956,379</u>	<u>13,294,132</u>
Total Assets	<u>1,215,414</u>	<u>1,972,053</u>	<u>14,284,689</u>	<u>17,472,156</u>
Deferred Outflows of Resources				
Deferred pension resources	23,752	34,982	-	58,734
Deferred other postemployment benefit resources	3,617	905	-	4,522
Total Deferred Outflows of Resources	<u>27,369</u>	<u>35,887</u>	<u>-</u>	<u>63,256</u>
Liabilities				
Current Liabilities				
Accounts and contracts payable	32,941	63,259	31,535	127,735
Due to other governments	26,011	46,435	-	72,446
Accrued interest payable	-	-	6,896	6,896
Accrued salaries payable	15,667	16,828	-	32,495
Compensated absences payable	21,986	24,845	7,511	54,342
Due to other funds	25,254	29,836	-	55,090
Other postemployment benefits	20	93	-	113
Bonds payable, current portion	-	-	175,000	175,000
Total Current Liabilities	<u>121,879</u>	<u>181,296</u>	<u>220,942</u>	<u>524,117</u>
Noncurrent Liabilities				
Compensated absences payable	31,730	41,933	6,694	80,357
Bonds payable	-	-	613,380	613,380
Other postemployment benefits	947	4,487	-	5,434
Net pension liability	119,399	175,853	-	295,252
Total Noncurrent Liabilities	<u>152,076</u>	<u>222,273</u>	<u>620,074</u>	<u>994,423</u>
Total Liabilities	<u>273,955</u>	<u>403,569</u>	<u>841,016</u>	<u>1,518,540</u>
Deferred Inflows of Resources				
Deferred pension resources	79,055	116,434	-	195,489
Deferred other postemployment benefit resources	1,689	2,345	-	4,034
Total Deferred Inflows of Resources	<u>80,744</u>	<u>118,779</u>	<u>-</u>	<u>199,523</u>
Net Position				
Net investment in capital assets	171,123	166,630	12,167,999	12,505,752
Unrestricted	716,961	1,318,962	1,275,674	3,311,597
Total Net Position	<u>\$ 888,084</u>	<u>\$ 1,485,592</u>	<u>\$ 13,443,673</u>	<u>\$ 15,817,349</u>

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

City of Alexandria, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	609 Downtown Liquor	610 Plaza Liquor	211 Storm Water Utility	Totals
Operating Revenues				
Sales	\$ 2,932,842	\$ 4,965,489	\$ -	\$ 7,898,331
Cost of sales	(2,216,700)	(3,722,834)	-	(5,939,534)
Gross Profit	<u>716,142</u>	<u>1,242,655</u>	-	<u>1,958,797</u>
Charges for services	-	-	872,630	872,630
Total Operating Revenues	<u>716,142</u>	<u>1,242,655</u>	<u>872,630</u>	<u>2,831,427</u>
Operating Expenses				
Personal services	400,337	614,031	337	1,014,705
Operating supplies and expenses	17,945	24,255	655	42,855
Insurance	18,955	26,252	-	45,207
Utilities	14,036	15,736	-	29,772
Depreciation and amortization	15,772	44,674	414,958	475,404
Other services and charges	133,521	117,172	176,218	426,911
Total Operating Expenses	<u>600,566</u>	<u>842,120</u>	<u>592,168</u>	<u>2,034,854</u>
Operating Income	<u>115,576</u>	<u>400,535</u>	<u>280,462</u>	<u>796,573</u>
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	5,435	8,006	2,500	15,941
Miscellaneous income	750	54,299	-	55,049
Investment income	1,064	17,069	50,184	68,317
Gain (loss) on sale of capital assets	(1,283)	(1,717)	-	(3,000)
Amortization of premium	-	-	12,096	12,096
Interest expense	-	-	(16,975)	(16,975)
Total Nonoperating Revenues (Expenses)	<u>5,966</u>	<u>77,657</u>	<u>47,805</u>	<u>131,428</u>
Income Before Contributions and Transfers	121,542	478,192	328,267	928,001
Capital contributions from other funds	-	-	9,950	9,950
Capital grants and contributions	-	-	168,660	168,660
Transfers Out	(90,000)	(350,000)	(160,647)	(600,647)
Change in Net Position	31,542	128,192	346,230	505,964
Net Position, January 1	<u>856,542</u>	<u>1,357,400</u>	<u>13,097,443</u>	<u>15,311,385</u>
Net Position, December 31	<u>\$ 888,084</u>	<u>\$ 1,485,592</u>	<u>\$ 13,443,673</u>	<u>\$ 15,817,349</u>

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

City of Alexandria, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	609 Downtown Liquor	610 Plaza Liquor	211 Storm Water Utility	Totals
Cash Flows from Operating Activities				
Receipts from customers	\$ 2,953,152	\$ 5,018,474	\$ 872,630	\$ 8,844,256
Payments to suppliers and vendors	(2,479,555)	(4,017,313)	(158,594)	(6,655,462)
Payments to and on behalf of employees	(437,127)	(608,726)	-	(1,045,853)
Other receipts	750	54,299	-	55,049
Net Cash Provided by Operating Activities	37,220	446,734	714,036	1,197,990
Cash Flows from Noncapital Financing Activities				
Grants received	5,435	8,006	2,500	15,941
Transfers out	(90,000)	(350,000)	(160,647)	(600,647)
Decrease in due from component unit	-	-	(273)	(273)
Net Cash Provided (Used) by Noncapital Financing Activities	(84,565)	(341,994)	(158,420)	(584,979)
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(6,995)	(3,543)	(619,988)	(630,526)
Capital grants	-	-	168,660	168,660
Principal paid on long-term debt	-	-	(170,000)	(170,000)
Interest paid on long-term debt	-	-	(19,100)	(19,100)
Net Cash Used by Capital and Related Financing Activities	(6,995)	(3,543)	(640,428)	(650,966)
Cash Flows from Investing Activities				
Interest received on cash and investments	1,064	17,069	50,184	68,317
Net Increase (Decrease) In Cash and Cash Equivalents	(53,276)	118,266	(34,628)	30,362
Cash and Cash Equivalents, January 1	411,576	1,001,404	1,296,299	2,709,279
Cash and Cash Equivalents, December 31	\$ 358,300	\$ 1,119,670	\$ 1,261,671	\$ 2,739,641
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 115,576	\$ 400,535	\$ 280,462	\$ 796,573
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	15,772	44,674	414,958	475,404
Other income related to operations	750	54,299	-	55,049
(Increase) decrease in assets				
Accounts receivable	20,310	52,985	-	73,295
Inventories	838	8,363	-	9,201
Prepaid items	(300)	(300)	-	(600)
(Increase) decrease in deferred outflows of resources				
Deferred pension resources	30,820	30,827	117	61,764
Deferred other postemployment benefit resources	790	(3)	-	787
Increase (decrease) in liabilities				
Accounts and contracts payable	(76,257)	(119,964)	18,343	(177,878)
Due to other governments	(2,120)	(2,839)	-	(4,959)
Due to other funds/departments	(559)	3,676	(167)	2,950
Due to component unit	-	-	103	103
Accrued salaries payable	1,157	2,367	-	3,524
Compensated absences payable	6,718	10,616	810	18,144
Net pension liability	(91,034)	(77,910)	(452)	(169,396)
Other postemployment benefits liability	332	1,019	-	1,351
Increase (decrease) in deferred inflows of resources				
Deferred pension resources	14,741	38,877	(138)	53,480
Deferred other postemployment benefit resources	(314)	(488)	-	(802)
Net Cash Provided (Used) by Operating Activities	\$ 37,220	\$ 446,734	\$ 714,036	\$ 1,197,990
Noncash Investing, Capital and Financing Activities				
Book value of disposed/traded of capital assets	\$ 1,283	\$ 1,717	\$ -	\$ 3,000
Capital assets contributed by (to) other funds	-	-	9,950	9,950
Amortization of bond (premium) discount	-	-	(12,096)	(12,096)

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

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City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Alexandria, Minnesota (the City) is a municipality governed by an elected Mayor and a five-member Council. The Council exercises legislative authority and determines all matters of policy. The Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City's policy is to include in the financial statements all funds, departments, agencies, boards, commissions, and other component units for which the City is considered to be financially accountable. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each blended component unit has a December 31 year end. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. The discretely presented component unit has a December 31 year end.

Blended Component Unit. The Alexandria Economic Development Authority (EDA) was created pursuant to Minnesota statutes, 469.090 through 469.108 to encourage the development and redevelopment of certain properties within the City in accordance with policies established by the City Council. The EDA is considered blended because the City has significant influence on the EDA activities, the EDA has six members, all of whom hold the office of City Council member or mayor and there is a financial benefit or burden relationship between the EDA and the City. This fund is included with the tax increment financing funds.

Discretely Presented Component Units. The Board of Public Utilities DBA ALP Utilities includes the operations of the water and electric utilities and is governed by a six-member Board of Commissioners, five members appointed by the City Council plus the Utility's general manager. The City does have the authority to approve or modify the operational and capital budgets of the Board of Public Utilities and any bonded debt of the Board of Public Utilities must be approved by City Council. The Board of Public Utilities does not provide services entirely to the City and the Board of Public Utilities debt is not expected to be repaid by the City's resources. It is this criterion that results in the Board of Public Utilities being reported as a discretely presented component unit. Completed financial statements of the Board of Public Utilities can be obtained from the Board of Public Utilities, 316 Fillmore Street, Alexandria, Minnesota 56308.

Related Organizations. The Alexandria Housing and Redevelopment Authority (the HRA) board members are appointed by the City Council, but the City's accountability for the HRA does not extend beyond making the appointments. Audited financial statements are available upon request from the HRA offices located at 805 Fillmore Street, Alexandria, MN, 56308.

B. Government-wide and Fund Financial Statements

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

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. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and component unit 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. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

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

The *Debt Service fund* accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Capital Projects fund* accounts for the acquisition, construction of major capital facilities and equipment other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The *Downtown Liquor and Plaza Liquor funds* account for the operations of the City's off-sale municipal liquor stores.

The *Storm Water Utility fund* accounts for the operations related to the City's storm and surface water management program.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and electric functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Deposits and Investments

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

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The city has the following recurring fair value measurements as of December 31, 2024:

- United State Treasuries of \$1,464,491 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposit and Municipal bonds of \$4,933,700 and \$2,102,179, respectively are valued using a matrix pricing model (Level 2 inputs)

The ALP Utilities has the following recurring fair value measurements as of December 31, 2024:

- United State Treasuries of \$672,306 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposit, Government agency securities, and Municipal bonds of \$1,183,555, \$13,171,649 and \$405,428, respectively are valued using a matrix pricing model (Level 2 inputs)

Property Taxes

The Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlement payments are made to the City during January, June and December each year.

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

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. The ALP Utilities accounts receivable of \$1,135,411 are recorded net of allowance for doubtful accounts of \$44,754 at December 31, 2024. Accounts are considered past due based on how recently payments have been received. Accounts of customers who have terminated their electric service are considered uncollectible and charged-off if no payment has been received after 60 days. The Municipal Liquor Dispensary receivable is the total amount of credit card receivables at year end. No allowance for doubtful accounts has been provided for the City or the Municipal Liquor Dispensary because such amounts are not expected to be material.

Notes Receivable

Notes receivable represent the amount of revolving loans the City has made to other entities. An allowance account in the amount of \$137,129 has been recorded related to these notes.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Due from Other Governments

Due from other governments includes amounts due from State and/or Federal grantors for grants related to specific financial assistance programs and also amounts due from the County for the January property tax settlement. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

Payment In Lieu of Taxes

The Board of Public Utilities is exempt from federal and state income taxes. However, the Board of Public Utilities makes monthly payment in lieu of taxes to the City. That payment is reflected as an expense on the statements of revenues, expenses and changes in net position and General fund revenue on the City's statement revenues, expenditures and changes in fund balance. The City also received payment in lieu of taxes from Douglas County HRA.

Capital Contributions

Capital assets are contributed to the Board of Public Utilities and the Storm Water Utility fund from the governmental funds of the City. The value of property contributed to the Utility is reported as capital contribution in the statement of revenues, expenses and changes in net position.

Due to Other Governments

Due to other governments represent amounts the City owes to other governments for various projects. The Board of Public Utilities collects revenue from customers of the Alexandria Lakes Area Sanitary District (ALASD). The collections are paid to ALASD monthly.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners and annual unpaid property clean-up fees and police false alarm charges. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are annually certified to the County or received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Interfund Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

Inventories for the Municipal Liquor Dispensary are stated at the lower of cost or market on an average cost basis of the first-in, first out (FIFO) method. A perpetual inventory tracking system is used for the management of inventory and pricing by the Municipal Liquor Dispensary.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories at the Board of Public Utilities are generally used for construction, operation and maintenance work rather than for resale. They are valued at lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds from revenue bonds of the Board of Public Utilities are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the acquisition value of the item at the date of its donation.

For financial statement purposes only, the City's capitalization threshold is \$2,500.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 - 50
Other Improvements	5 - 25
Furniture and Equipment	5 - 25

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement dates.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and component unit 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.

Employees are also compensated for 50 percent of their unused sick leave up to 60 days upon termination or retirement and 100 percent upon death. However, the Board of Public Utilities' union employees are compensated for 75 percent of their unused sick leave and non-union employees will be paid for unused sick leave based on the lesser of a percentage of the unused balance determined by their years of service or 120 days of accumulated sick leave in the event of retirement, termination or death. The City and Board of Public Utilities estimates their accrued sick time based on historical usage.

Postemployment Benefits Other than Pensions

Under Minnesota statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement 75, at December 31, 2023. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Long-term Obligations

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

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

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

The total pension expense for the General Employee Plan (GERP), Police and Fire Plan (PEPFP) and Alexandria Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)		Fire Relief Association	Total All Plans
	GERP	PEPFP		
Pension expense - Primary Government	\$ 171,642	\$ 454,342	\$ 101,571	\$ 727,555
Pension expense - Component Unit	52,597	-	-	52,597

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: taxes, special assessments, intergovernmental and advance from other government. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

There is an additional items for the deferred portion of the lease receivable that is shown in the statement of net position and governmental funds.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources, deferred other postemployment benefit resources, deferred lease revenues and advance from other governments, are results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions, amortization of leave receivables, and also the City receiving an advance from the State for MSA dollars.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

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

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City has formally adopted a fund balance policy for the General fund. It is the City's policy that at the end of each fiscal year, the City will strive to maintain unassigned portion of the fund balance for cash flow of 35 to 50 percent of fund operating revenues or no less than five months of operating expenditures. When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

Net Position

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

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

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

Beginning in April each year, the Budget Committee discusses the budget for the coming year. They begin with a discussion on budget trends beginning with revenue. Department heads are then given budget instructions that they use in formulating draft budgets that are presented to the Budget Committee beginning in June. The City Council begins discussion of the budget in August at Work Sessions and adopts a preliminary budget and levy after a public hearing prior to September 30. A final budget is prepared and adopted in early December following the Truth-in-Taxation public hearing.

Budgeted amounts are as originally adopted or as amended by the Council. No budget amendments were made during the year.

B. Deficit Fund Equity

The following funds had deficit fund equity at December 31, 2024:

Fund	Amount
Capital Projects	
Park Development	\$ 587,012
Municipal State Aid	2,694,863
2020 Street Reconstruction	95,928
18th Ave Reconstruction Project	683,763
Nature Trail	4,045
Nokomis Steet Improvement	1,216,900
RCC Expansion Phase 3	69,034

These deficits will be eliminated through future grant revenues and transfers from other funds.

Note 3: Detailed Notes on all Funds

A. Deposits and Investments

Deposits

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

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Authorized collateral in lieu of a corporate surety bond includes:

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

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$4,069,395 and the bank balance was \$4,890,889. Of the bank balance, \$1,750,000 was covered by federal depository insurance. The remaining balance was collateralized with FHLB letters of credit held by the pledging financial institution's trust department in the City's name.

The carrying amount of deposits for the Board of Public Utilities DBA ALP Utilities, a discretely presented component unit, was \$9,306,858 and the bank balance was \$10,532,795. The bank balance was covered by \$1,246,887 of federal depository insurance. The remaining balances were collateralized with FHLB letters of credit held by pledging financial institution's trust department in the Board's name.

Investments

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

- *Credit Risk.* Is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the City's investments.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's does not have an investment policy but typically limits its exposure by purchasing insured or registered investments.
- *Concentration of Credit Risk.* Is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer. This risk is mitigated by most of the City's investments being in certificates of deposit at local banks.
- *Interest Rate Risk.* Is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to less than five years and mainly investing in investments with little exposure to declines in fair value.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Generally, the City's investing activities are managed under the custody of the City Administrator and Finance Director. Investing is performed in accordance state statutes. The City has adopted an investment policy, and follows the related statute which is described in Note 1.

At December 31, 2024, the City had the following investments that are insured or registered, or securities held by the City or it's agent in the City's name:

Types of Investments	Credit Quality Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled investments at amortized costs						
4M Fund	N/A	less than 6 months	\$ 9,371,854			
Non-pooled Investments at Amortized Costs						
Money Market Funds	N/A	less than 1 year	6,370,660			
Non-pooled Investments at Fair Value						
US Treasuries	Aa+	less than 1 year	477,955	\$ 477,955	\$ -	\$ -
US Treasuries	N/A	1 to 5 years	157,462	157,462	-	-
US Treasuries	Aa+	1 to 5 years	447,628	447,628	-	-
US Treasuries	Aa+	More than 5 years	381,446	381,446	-	-
Municipal Bonds	N/A	less than 1 year	377,229	-	377,229	-
Municipal Bonds	Aaa	less than 1 year	763,903	-	763,903	-
Municipal Bonds	Aa+	1 to 5 years	961,047	-	961,047	-
Negotiable certificates of deposit	N/A	less than 1 year	1,469,281	-	1,469,281	-
Negotiable certificates of deposit	N/A	1 to 5 years	3,464,419	-	3,464,419	-
Total Investments			<u>\$ 24,242,884</u>	<u>\$ 1,464,491</u>	<u>\$ 7,035,879</u>	<u>\$ -</u>

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

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

N/A indicates not applicable or available.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Discretely Presented Component Unit

ALP Utilities

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	less than one year	\$ 10,222,814			
Non-pooled Investments at Amortized Costs						
Money Market Funds	N/A	less than one year	25,526			
Non-pooled Investments at Fair Value						
United State Treasuries	N/A	less than one year	672,306	\$ 672,306	\$ -	\$ -
Government Agency Securities	AAA	less than one year	3,321,786	-	3,321,786	-
Government Agency Securities	AA+	less than one year	1,588,179	-	1,588,179	-
Government Agency Securities	AA+	1 to 5 years	7,843,149	-	7,843,149	-
Government Agency Securities	AA+	5 to 10 years	418,535	-	418,535	-
Municipal Bonds	AAA/AA+	less than one year	216,733	-	216,733	-
Municipal Bonds	AAA/AA+	1 to 5 years	147,339	-	147,339	-
Municipal Bonds	AAA/AA+	5 to 10 years	41,356	-	41,356	-
Negotiable certificates of deposit	N/A	less than one year	1,183,555	-	1,183,555	-
Total Investments			\$ 25,681,278	\$ 672,306	\$ 14,760,632	\$ -

Cash on Hand

Cash in the possession of the City, consisting of petty cash and change funds, totals \$4,132.

Cash and Investments Summary

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

	Primary Government	Component Unit Board of Public Utilities	Total Reporting Entity
Deposits	\$ 4,069,395	\$ 9,306,858	\$ 13,376,253
Investments	24,242,884	25,681,278	49,924,162
Cash on Hand	3,882	250	4,132
Total	\$ 28,316,161	\$ 34,988,386	\$ 63,304,547
Cash and Cash Equivalents	\$ 28,316,161	\$ 33,321,580	\$ 61,637,741
Cash and Cash Equivalents	-	1,666,806	1,666,806
Restricted Debt Service Reserve Deposits			
Total	\$ 28,316,161	\$ 34,988,386	\$ 63,304,547

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

B. Loans Receivable

The City has loaned funds to various local businesses. These notes will be paid back with monthly payments at interest rates ranging from 1 to 8.25 percent. The balance of these loans, net of an allowance of \$84,729, at December 31, 2024 is \$1,407,693.

The City has City Housing Assistance Program (CHAP) loans receivable to various qualified homeowners. These loans may become forgivable if the homeowner remains for a specified time period. The balance of these loans, net of an allowance of \$52,400, at December 31, 2024 is \$373,700.

The City has Housing Trust loans receivable to various qualified homeowners. These loans are deferred for 30 years, at zero percent interest. These loans are payable upon the sale of the home or the primary mortgage is refinanced and equity is taken out. The balance of these loans, at December 31, 2024 is \$137,068.

C. Capital Assets

Primary Government

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated/Amortized				
Land	\$ 2,887,178	\$ 698,083	\$ (5,775)	\$ 3,579,486
Construction in progress	5,565,689	8,099,299	(3,841,127)	9,823,861
Total Capital Assets not being Depreciated/Amortized	<u>8,452,867</u>	<u>8,797,382</u>	<u>(3,846,902)</u>	<u>13,403,347</u>
Capital Assets being Depreciated/Amortized				
Buildings	22,577,389	5,385	(220,568)	22,362,206
Improvements other than buildings	80,561,600	4,546,135	(9,268)	85,098,467
Machinery and equipment	16,481,983	567,782	(261,232)	16,788,533
Leased Equipment (Intangible Right to Use Asset)	618,389	-	-	618,389
Total Capital Assets Being Depreciated/Amortized	<u>120,239,361</u>	<u>5,119,302</u>	<u>(491,068)</u>	<u>124,867,595</u>
Less Accumulated Depreciation/Amortization for				
Buildings	(10,599,421)	(584,042)	174,669	(11,008,794)
Improvements other than buildings	(39,618,555)	(2,192,674)	8,031	(41,803,198)
Machinery and equipment	(8,509,414)	(779,416)	261,231	(9,027,599)
Leased Equipment (Intangible Right to Use Asset)	(210,480)	(132,996)	-	(343,476)
Total Accumulated Depreciation/Amortization	<u>(58,937,870)</u>	<u>(3,689,128)</u>	<u>443,931</u>	<u>(62,183,067)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>61,301,491</u>	<u>1,430,174</u>	<u>(47,137)</u>	<u>62,684,528</u>
Governmental Activities Capital Assets, Net	<u>\$ 69,754,358</u>	<u>\$ 10,227,556</u>	<u>\$ (3,894,039)</u>	<u>\$ 76,087,875</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not being Depreciated				
Land	\$ 101,413	\$ -	\$ -	\$ 101,413
Construction in progress	1,795,510	411,978	(1,791,054)	416,434
Total capital assets not being depreciated	<u>1,896,923</u>	<u>411,978</u>	<u>(1,791,054)</u>	<u>517,847</u>
Capital Assets being Depreciated				
Buildings	1,072,226	-	-	1,072,226
Equipment	424,143	10,538	(29,995)	404,686
Other improvements	21,439,186	2,009,014	-	23,448,200
Total Capital Assets Being Depreciated	<u>22,935,555</u>	<u>2,019,552</u>	<u>(29,995)</u>	<u>24,925,112</u>
Less Accumulated Depreciation for				
Buildings	(994,790)	(29,522)	-	(1,024,312)
Equipment	(232,391)	(29,037)	26,995	(234,433)
Other improvements	(10,473,237)	(416,845)	-	(10,890,082)
Total Accumulated Depreciation	<u>(11,700,418)</u>	<u>(475,404)</u>	<u>26,995</u>	<u>(12,148,827)</u>
Total Capital Assets Being Depreciated, Net	<u>11,235,137</u>	<u>1,544,148</u>	<u>(3,000)</u>	<u>12,776,285</u>
Business-type Activities Capital Assets, Net	<u>\$ 13,132,060</u>	<u>\$ 1,956,126</u>	<u>\$ (1,794,054)</u>	<u>\$ 13,294,132</u>

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

Governmental Activities		
General government		\$ 136,469
Public safety		507,915
Public works		2,168,703
Culture and recreation		542,772
Airport		333,269
Total Depreciation Expense - Governmental Activities		<u>\$ 3,689,128</u>
Business-type Activities		
Municipal Liquor Dispensary		\$ 60,446
Storm water		414,958
Total Depreciation Expense - Business-Type Activities		<u>\$ 475,404</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Discretely Presented Component Unit

Capital asset activity for the component units for the year ended December 31, 2024 are as follows:

ALP Utilities

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land and land rights	\$ 448,405	\$ 1,117,808	\$ -	\$ 1,566,213
Service territory acquired	255,813	-	-	255,813
Construction in progress	6,754,017	11,225,728	(12,416,910)	5,562,835
Total Capital Assets not Being Depreciated	<u>7,458,235</u>	<u>12,343,536</u>	<u>(12,416,910)</u>	<u>7,384,861</u>
Capital Assets Being Depreciated				
Buildings and structures	2,898,856	-	-	2,898,856
Transmission plant	2,763,581	-	-	2,763,581
Distribution plant	105,749,977	9,997,296	(2,343,134)	113,404,139
General equipment	6,663,385	220,559	(36,086)	6,847,858
Total Capital Assets Being Depreciated	<u>118,075,799</u>	<u>10,217,855</u>	<u>(2,379,220)</u>	<u>125,914,434</u>
Less Accumulated Depreciation for				
Buildings and structures	(2,370,415)	(53,022)	-	(2,423,437)
Transmission plant	(1,626,827)	(83,515)	-	(1,710,342)
Distribution plant	(45,536,467)	(2,574,811)	1,524,921	(46,586,357)
General equipment	(4,743,301)	(354,829)	36,086	(5,062,044)
Total Accumulated Depreciation	<u>(54,277,010)</u>	<u>(3,066,177)</u>	<u>1,561,007</u>	<u>(55,782,180)</u>
 Total Capital Assets Being Depreciated, Net	 <u>63,798,789</u>	 <u>7,151,678</u>	 <u>(818,213)</u>	 <u>70,132,254</u>
 Business-type Activities Capital Assets, Net	 <u>\$ 71,257,024</u>	 <u>\$ 19,495,214</u>	 <u>\$ (13,235,123)</u>	 <u>\$ 77,517,115</u>

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

Component unit	
Electric	\$ 1,982,474
Water	<u>1,083,703</u>
 Total Depreciation Expense - Component Unit	 <u>\$ 3,066,177</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Construction Commitments

The City has active construction projects as of December 31, 2024. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Nokomis Street Improvement	\$ 1,287,363	\$ 505,137
Pioneer Road Overlay - Engineering	61,096	22,716
Pioneer Road Overlay	286,165	27,659
RCC Expansion Project - Design	706,018	64,130
RCC Expansion Project	4,809,504	8,215,440
Runway 13-31 Reconstruction - Design/Engineering	256,445	55,855
Electrical for Hangars	35,700	38,150
Fillmore Park Ballpark Improvements	111,700	13,000
Firehall Trench Drain System	66,799	53,092
Knute Nelson Ballfield Improvements	251,167	682,585
Westbrook Estates Street & Water Improvements	833,129	32,430
2024 Local Streets- Engineering	75,171	10,089
2025 Local Streets- Engineering	14,806	103,595
Total	<u>\$ 8,795,063</u>	<u>\$ 9,823,877</u>

Discretely Presented Component Unit

Construction commitments for the component units for the year ended December 31, 2024 are as follows:

ALP Utilities

Project	Spent-to-Date	Remaining Commitment
ALP Operations Center	\$ 5,605,117	\$ 7,765,778
Electric Distribution Improvements 2024	1,047,180	742,066
Nokomis Street 18th to Lake St. Water Main Replacement	77,715	512,110
Total	<u>\$ 6,730,012</u>	<u>\$ 9,019,954</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

D. Interfund Receivables, Payables and Transfers

Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General	Proprietary	
	Downtown Liquor	\$ 25,254
	Plaza Liquor	29,836
Net Internal Balance		\$ 55,090

The outstanding balance between funds results mainly from the time lag between the dates that payments between funds are made.

Due From Component Unit

The City has a receivable amount from ALP totaling \$656,251 as of December 31, 2024 which consists of reimbursement of project costs, storm water charges and payment in lieu of taxes.

Interfund Transfers

Transfers made for the year ended December 31, 2024 are as follows:

Fund	Transfers In				Total
	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	
Transfers Out					
General	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
Capital Projects	-	245,255	-	-	245,255
Nonmajor Governmental Funds	74,923	-	36,295	170,000	281,218
Downtown Liquor	70,000	-	20,000	-	90,000
Plaza Liquor	185,000	-	165,000	-	350,000
Storm Water Utility	126,333	-	34,314	-	160,647
Total Transfers Out	\$ 456,256	\$ 245,255	\$ 355,609	\$ 170,000	\$ 1,227,120

During the year, reoccurring transfers are used to 1) transfer a portion of the profits from the Downtown Liquor and Plaza Liquor fund to the General fund and 2) transfer funds to cover bond and lease payments. Further, during the year ended December 31, 2024, the government made the following one-time transfers:

- From General to Capital improvement fund of \$100, 000 for future improvements.
- From Employee Benefit to General Fund of \$28,372 to cover Public Works employee wages related to street sweeping and storm sewer repairs and maintenance.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

E. Lease Receivable

The City leases various airport hangar buildings and grounds to companies and individuals. These agreements contain various renewal and extension options. The latest maturity date is projected to be in 2029, however, the City anticipates new or revised lease arrangements to occur in the future.

Long-term lease liability for the year is as follows:

Description	Issue Date	Discount Rate	Current Year Infow of Resources	Balance at Year End
Ground Lease - MBA - Alexandria, LLC	06/11/19	4.75 %	\$ 31,711	\$ 547,290
Landon Craig - Airport Land Lease	04/10/23	8.50	20,456	116,966
Billboard - Lamar OCI North, LLC	05/06/24	4.75	42,459	82,954
Airport Building - Critical Care Services, Inc	05/31/24	4.75	42,459	111,634
Total				<u><u>\$ 858,844</u></u>

F. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund special assessments related bonds. General obligation bonds currently outstanding are as follows:

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Primary Government Debt

General Obligation Improvement Bonds

The following bonds are direct obligations and pledge full faith and credit of the City. These bond issues will be repaid primarily from ad valorem taxes.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2010A	\$ 5,205,000	1.50 - 5.00 %	09/15/10	02/01/31	\$ 2,360,000
G.O. Refunding Bonds of 2014B	1,470,000	2.00 - 3.00	09/15/14	02/01/30	575,000
G.O. Bonds of 2016A	7,060,000	2.00 - 3.00	08/25/16	02/01/37	5,370,000
G.O. Refunding Bonds of 2016B	780,000	2.00 - 3.00	08/25/16	02/01/30	450,000
G.O. Improvement Bonds of 2020A	2,165,000	4.00 - 1.50	08/27/20	02/01/36	1,830,000
G.O Tax Abatement Bonds of 2024A	11,090,000	4.13 - 5.00	06/20/24	02/01/51	11,090,000
G.O Tax Abatement Bonds of 2024B	2,410,000	5.00 - 5.40	06/20/24	02/01/51	<u>2,410,000</u>
Total General Obligation Bonds					<u>\$ 24,085,000</u>

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

Year Ending December 31,	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2025	\$ 1,005,000	\$ 986,685	\$ 1,991,685
2026	1,040,000	881,149	1,921,149
2027	1,070,000	848,343	1,918,343
2028	1,095,000	813,871	1,908,871
2029	1,120,000	778,104	1,898,104
2030 - 2034	5,120,000	3,392,023	8,512,023
2035 - 2039	4,075,000	2,562,746	6,637,746
2040 - 2044	3,375,000	1,776,617	5,151,617
2045 - 2049	4,220,000	916,153	5,136,153
2050 - 2051	1,965,000	86,764	2,051,764
Total	<u>\$ 24,085,000</u>	<u>\$ 13,042,455</u>	<u>\$ 37,127,455</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

G.O. Special Assessment (Improvement) Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partly financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2014A	\$ 2,900,000	2.60 - 3.00 %	09/15/14	02/01/26	\$ 570,000
G.O. Refunding Bonds of 2014B	1,470,000	2.00 - 3.00	09/15/14	02/01/25	55,000
G.O. Refunding Bonds of 2016B	1,685,000	2.00 - 3.00	08/25/16	02/01/28	<u>740,000</u>
Total G.O. Improvement Bonds					<u>\$ 1,365,000</u>

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

Year Ending December 31,	General Obligation Improvement Bonds Governmental Activities			General Obligation Improvement Bonds Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
	2025	\$ 340,000	\$ 11,375	\$ 351,375	\$ 175,000	\$ 13,925
2026	285,000	3,562	288,562	185,000	9,450	194,450
2027	-	-	-	190,000	5,700	195,700
2028	-	-	-	190,000	1,900	191,900
Total	<u>\$ 625,000</u>	<u>\$ 14,937</u>	<u>\$ 639,937</u>	<u>\$ 740,000</u>	<u>\$ 30,975</u>	<u>\$ 770,975</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Leases Payable

The City has entered into various lease agreements with Enterprise Fleet Management for various vehicles. These leases have interest rates between 4.29-6.78% and terms of 46-60 months.

Description	Total Lease Liability	Interest Rate	Issue Date	Payment Terms	Payment Amount	Current Year Additional Outflows	Balance at Year End
Enterprise Vehicles							
252VXH City Hall	\$ 17,027	4.29 %	01/01/2022	46 Months	\$ 401 Monthly	\$ 451	\$ 3,929
252VZ2 City Hall	17,027	4.29	01/01/2022	46 Months	401 Monthly	451	3,929
2549JZ Police	22,056	6.37	06/01/2022	48 Months	531 Monthly	517	8,618
2549JL Police	22,509	5.31	06/01/2022	48 Months	531 Monthly	517	8,685
2549K6 Police	22,018	6.23	06/01/2022	48 Months	529 Monthly	517	8,589
2549J4 Police	22,041	6.21	07/01/2022	48 Months	530 Monthly	517	9,078
2549H2 Police	22,406	6.23	06/01/2022	48 Months	538 Monthly	526	8,740
252VZP Police	27,967	4.48	02/01/2022	48 Months	650 Monthly	621	8,232
252VV9 Police	22,590	4.48	02/01/2022	48 Months	525 Monthly	613	6,649
252VZB Police	28,016	4.48	02/01/2022	48 Months	651 Monthly	622	8,246
252VW3 Building	21,566	4.49	01/01/2022	60 Months	400 Monthly	483	9,175
252BVH Street	45,935	6.33	09/01/2022	60 Months	908 Monthly	687	26,674
253P5L Street	31,565	4.67	02/01/2022	60 Months	600 Monthly	480	14,262
252VRM Street	27,131	6.33	08/01/2022	60 Months	536 Monthly	607	15,300
252VT7 Street	28,804	6.33	09/01/2022	60 Months	569 Monthly	645	16,725
2549CW Park	27,801	6.49	08/01/2022	60 Months	552 Monthly	621	15,705
252SLZ Park	27,804	6.49	08/01/2022	60 Months	552 Monthly	622	15,707
252VP3 Park	27,790	6.49	08/01/2022	60 Months	551 Monthly	621	15,699
252VQN Park	27,643	6.33	09/01/2022	60 Months	546 Monthly	619	16,051
252VSD Park	29,990	6.49	07/01/2022	60 Months	595 Monthly	671	16,438
252BWT Park	46,337	6.78	09/01/2022	60 Months	926 Monthly	690	27,030
252BSQ RCC	40,732	6.78	09/01/2022	60 Months	814 Monthly	606	23,760
							<u>\$ 287,221</u>

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

Year Ending December 31,	Leases Payable		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 138,726	\$ 13,715	\$ 152,441
2026	99,999	6,253	106,252
2027	48,496	1,119	49,615
Total	<u>\$ 287,221</u>	<u>\$ 21,087</u>	<u>\$ 308,308</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Financed Purchase Arrangements

The following arrangements were made to finance a capital equipment.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
John Deere Tractor and Mower	\$ 191,055	2.50 %	10/15/21	02/01/26	\$ 77,900
Aerial Fire Truck	1,248,959	2.75	10/15/21	02/01/36	1,018,519
Fire Truck Rescue	681,753	4.34	08/14/23	02/01/38	633,903
Total Financed Purchase Arrangements					<u><u>\$ 1,730,322</u></u>

The annual debt service requirements to maturity for financed purchase arrangements are as follows:

Year Ending December 31,	Financed Purchase Arrangements		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 144,942	\$ 57,942	\$ 202,884
2026	149,464	53,420	202,884
2027	113,640	48,827	162,467
2028	117,373	45,094	162,467
2029	121,175	41,291	162,466
2030 - 2034	668,910	143,423	812,333
2035 - 2038	414,818	32,922	447,740
Total	<u><u>\$ 1,730,322</u></u>	<u><u>\$ 422,919</u></u>	<u><u>\$ 2,153,241</u></u>

Loans Payable

The following loan was issued from the Minnesota Department of Transportation for the construction of a T-Hangar at the Alexandria Municipal Airport. The loan is to be paid back over 240 months with monthly payments of \$2,938. There is no interest on this loan.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Hangar Loan	\$ 705,061	- %	04/01/23	03/01/43	<u><u>\$ 643,363</u></u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for the loan are as follows:

Year Ending December 31,	Loans Payable		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 35,256	\$ -	\$ 35,256
2026	35,256	-	35,256
2027	35,256	-	35,256
2028	35,256	-	35,256
2029	35,256	-	35,256
2030 - 2034	176,280	-	176,280
2035 - 2039	176,280	-	176,280
2040 - 2043	114,523	-	114,523
Total	\$ 643,363	\$ -	\$ 643,363

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 11,575,000	\$ 13,500,000	\$ (990,000)	\$ 24,085,000	\$ 1,005,000
General obligation improvement bonds	1,615,000	-	(990,000)	625,000	340,000
Bond premium	419,003	615,725	(69,177)	965,551	-
Total Bonds Payable	<u>13,609,003</u>	<u>14,115,725</u>	<u>(2,049,177)</u>	<u>25,675,551</u>	<u>1,345,000</u>
Hangar Loan	678,619	-	(35,256)	643,363	35,256
Financed Purchase Arrangements	1,886,547	-	(156,225)	1,730,322	144,942
Leases Payable	419,666	-	(132,445)	287,221	138,726
Compensated Absences Payable *	<u>1,022,501</u>	<u>91,521</u>	<u>-</u>	<u>1,114,022</u>	<u>473,942</u>
Governmental Activity Long-term Liabilities	<u>\$ 17,616,336</u>	<u>\$ 14,207,246</u>	<u>\$ (2,373,103)</u>	<u>\$ 29,450,479</u>	<u>\$ 2,137,866</u>
Business-type Activities					
Bonds Payable					
General obligation improvement bonds	\$ 910,000	\$ -	\$ (170,000)	\$ 740,000	\$ 175,000
Bond Premium	60,476	-	(12,096)	48,380	-
Total Bonds Payable	<u>970,476</u>	<u>-</u>	<u>(182,096)</u>	<u>788,380</u>	<u>175,000</u>
Compensated Absences Payable *	<u>116,555</u>	<u>18,144</u>	<u>-</u>	<u>134,699</u>	<u>54,342</u>
Business-type Activity Long-term Liabilities	<u>\$ 1,087,031</u>	<u>\$ 18,144</u>	<u>\$ (182,096)</u>	<u>\$ 923,079</u>	<u>\$ 229,342</u>

* Change in compensated absences payable is shown net of increases and decreases.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Discretely Presented Component Unit

Board of Public Utilities

Revenue Bonds

The following bonds were issued to finance capital improvements. They will be retired from net revenues of the Board.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Electric Utility Revenue Bonds of 2015A	\$ 5,395,000	2.00 - 3.25 %	12/30/15	12/01/35	\$ 3,310,000
Electric Utility Revenue Bonds of 2019A	2,680,000	4.00 - 5.00	06/19/19	12/01/33	1,785,000
Electric Utility Revenue Bonds of 2024C	9,640,000	4.00 - 6.00	10/16/24	12/01/39	<u>9,640,000</u>
Total Revenue Bonds					<u><u>\$ 14,735,000</u></u>

The annual debt service requirements to maturity for Revenue bonds are as follows:

Year Ending December 31,	Revenue Bonds		
	Principal	Interest	Total
2025	\$ 790,000	\$ 731,193	\$ 1,521,193
2026	890,000	633,268	1,523,268
2027	935,000	591,108	1,526,108
2028	980,000	545,988	1,525,988
2029	1,030,000	497,488	1,527,488
2030 - 2034	5,675,000	1,735,568	7,410,568
2035 - 2039	<u>4,435,000</u>	<u>563,585</u>	<u>4,998,585</u>
Total	<u><u>\$ 14,735,000</u></u>	<u><u>\$ 5,298,198</u></u>	<u><u>\$ 20,033,198</u></u>

G.O. Revenue Notes

The following note was issued to finance capital improvements. It will be retired from net revenues of the Board.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Drinking Water Revenue Note of 2009	\$ 3,765,480	2.45 %	09/01/09	08/20/29	<u><u>\$ 1,072,000</u></u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

The annual debt service requirements to maturity for the Revenue note is as follows:

Year Ending December 31,	G.O. Revenue Notes		
	Principal	Interest	Total
2025	\$ 204,000	\$ 26,210	\$ 230,210
2026	209,000	21,223	230,223
2027	214,000	16,113	230,113
2028	220,000	10,880	230,880
2029	225,000	5,501	230,501
Total	<u>\$ 1,072,000</u>	<u>\$ 79,927</u>	<u>\$ 1,151,927</u>

Annual revenues from charges for services, principal and interest payments, and percentages of revenue required to cover principal and interest payments are as follows:

	<u>Board of Public Utilities</u>
Revenues	\$ 32,533,535
Principal and Interest	1,028,022
Percentage of Revenues	3.2%

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

Component Unit	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable					
Revenue bonds	\$ 5,700,000	\$ 9,640,000	\$ (605,000)	\$ 14,735,000	\$ 790,000
G.O. revenue notes	1,271,000	-	(199,000)	1,072,000	204,000
Bond premium	281,370	1,214,947	(27,833)	1,468,484	-
Total Bonds Payable	<u>7,252,370</u>	<u>10,854,947</u>	<u>(831,833)</u>	<u>17,275,484</u>	<u>994,000</u>
Compensated Absences Payable *	<u>717,299</u>	<u>-</u>	<u>(47,174)</u>	<u>670,125</u>	<u>221,233</u>
Component Unit Long-term Liabilities	<u>\$ 7,969,669</u>	<u>\$ 10,854,947</u>	<u>\$ (879,007)</u>	<u>\$ 17,945,609</u>	<u>\$ 1,215,233</u>

* Change in compensated absences payable is shown net of increases and decreases.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on all Funds (Continued)

Conduit Debt Obligation

The City has set forth a policy statement in an effort to be consistent with its use to Industrial Development Bonds within the City's jurisdiction. It is the judgement of the Council that tax exempt financing is to be used on a selective basis to encourage certain development that offers a benefit to the City as a whole, including significant employment and housing opportunities. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The conduit debt obligation for the year ended December 31, 2024 was as follows:

Issued to	Issue Date	Maturity Date	Amount Issued	Balance at Year End
St. Mary's Church School Project - 2005A	03/22/05	03/01/30	\$ 2,800,000	\$ 865,167
Knute Nelson - Assisted Living Facility	06/08/06	06/01/27	4,300,000	723,255
Alexandria Area YMCA	05/26/20	06/15/30	6,000,000	616,945
ATCC Foundation	09/01/11	03/01/43	7,040,000	4,748,860

Note 4: Defined Benefit Pension Plans – Statewide

A. Plan Description

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

General Employees Retirement Plan

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Plan

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

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

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

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

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022 were \$298,272, \$274,294 and \$256,617, respectively. The Board of Public Utilities contributions to the GERP for the years ending December 31, 2024, 2023 and 2022 were \$250,311, \$237,562 and \$230,496, respectively. The City's and Board of Public Utilities contributions were equal to the required contributions for each year as set by state statute.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

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

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2024, 2023 and 2022 were \$457,593, \$434,359 and \$404,187, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City and the Board of Public Utilities reported liabilities of \$1,655,997 and \$1,403,875, respectively, for its proportionate share of the General Employees Fund's net pension liability. The 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 \$42,821 and with the Board of Public Utilities totaled \$36,301.

City's proportionate share of the net pension liability	\$ 1,655,997
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>42,821</u>
Total	<u><u>\$ 1,698,818</u></u>
Board of Public Utilities proportionate share of the net pension liability	\$ 1,403,875
State of Minnesota's proportionate share of the net pension liability associated with the Board of Public Utilities	<u>36,301</u>
Total	<u><u>\$ 1,440,176</u></u>

For the year ended December 31, 2024, the City recognized pension expense of \$170,494 for its proportionate share of the General Employees Plan's pension expense and the Board of Public Utilities recognized \$53,294. In addition, the City recognized \$1,148 and the Board of Public Utilities recognized a negative \$697 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employed contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$76,191 and the Board of Public Utilities recognized \$64,638 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contribution to the General Employees Fund.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

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

At December 31, 2024, the City and Board of Public Utilities reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Primary government</u>		<u>Component unit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 155,675	\$ -	\$ 133,703	\$ -
Changes in Actuarial Assumptions	7,978	627,851	7,238	544,892
Net Difference Between Projected and Actual Earnings on Plan Investments	-	465,633	-	426,692
Changes in Proportion	13,860	2,967	-	52,821
Contributions Paid to PERA Subsequent To the Measurement Date	<u>151,908</u>	<u>-</u>	<u>129,042</u>	<u>-</u>
Total	<u><u>\$ 329,421</u></u>	<u><u>\$ 1,096,451</u></u>	<u><u>\$ 269,983</u></u>	<u><u>\$ 1,024,405</u></u>

The \$280,950 reported as deferred outflows of resources related to pensions resulting from the City's and Board of Public Utilities contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Primary government</u>	<u>Component unit</u>
2025	\$ (492,558)	\$ (514,814)
2026	(96,435)	(87,437)
2027	(203,025)	(173,614)
2028	(126,920)	(107,599)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$2,399,243 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1824 percent at the end of the measurement period and 0.1807 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$91,458.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

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

City's proportionate share of the net pension liability	\$ 2,399,243
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>91,458</u>
Total	<u>\$ 2,490,701</u>

For the year ended December 31, 2024, the City recognized pension of \$44,112 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$10,230 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$51,787 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2024, the City reported its proportionate share of 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 Experience	\$ 927,743	\$ -
Changes in Actuarial Assumptions	2,596,459	3,500,930
Net Difference Between Projected and Actual Earnings on Plan Investments	-	781,601
Changes in Proportion	43,645	21,406
Contributions Paid to PERA Subsequent To the Measurement Date	<u>230,683</u>	<u>-</u>
Total	<u>\$ 3,798,530</u>	<u>\$ 4,303,937</u>

The \$230,683 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (130,602)
2026	609,938
2027	(350,490)
2028	(920,223)
2029	55,287

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

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

E. Long -Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.00 %	

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and Police and Fire Plan.

Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1.0% for the Police and Fire Plan.

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 in annual increments 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 General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan were reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

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

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

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The State contribution of \$9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year.
- The additional \$9 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the City and Board of Public Utilities proportionate shares 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 and Board's proportionate shares of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.00%)	Current (7.00%)	1 Percent Increase (8.00%)
	General Employees Fund		
Primary government	\$ 3,616,965	\$ 1,655,997	\$ 42,923
Component unit	3,066,290	1,403,875	36,388
Police and Fire Fund	5,669,879	2,399,243	(286,634)

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.

Note 5: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the Alexandria Fire Department (the Department) are covered by a defined benefit plan administered by the Alexandria Fire Department Relief Association (the Association). As of December 31, 2023, the plan covered 29 active firefighters and 6 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

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

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plans - Fire Relief Association (Continued)

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

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$192,776 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2024, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

D. Pension Costs

At December 31, 2024, the City reported a net pension liability (asset) of (\$745,835) for the plan. The net pension liability (asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by Van Iwaarden Associates applying an actuarial formula to specific census data certified by the Department as of December 31, 2024. The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2024	\$ 2,083,669	\$ 2,570,638	\$ (486,969)
Changes for the Year			
Service cost	120,086	-	120,086
Interest on pension liability (asset)	114,377	-	114,377
Changes of benefit terms	63,535	-	63,535
Contributions (State and local)	-	192,776	(192,776)
Net investment income	-	382,166	(382,166)
Benefit payments	(429,177)	(429,177)	-
Administrative expenses	-	(18,078)	18,078
Total Net Changes	(131,179)	127,687	(258,866)
Ending Balance December 31, 2024	\$ 1,952,490	\$ 2,698,325	\$ (745,835)

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plans - Fire Relief Association (Continued)

For the year ended December 31, 2024 the City recognized pension expense of \$101,571.

At December 31, 2024, the City reported deferred inflows of resources and deferred outflows of resources, and its contributions subsequent to the measurement date, to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 176,048
Changes in Actuarial Assumptions	54,412	-
Net Difference Between Projected and Actual Investment Earnings	256,121	-
Contributions to Plan Subsequent To the Measurement Date	220,377	-
Total	\$ 530,910	\$ 176,048

Deferred outflows of resources totaling \$220,377 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2025	\$ 35,516
2026	64,608
2027	122,154
2028	(65,029)
2029	(12,288)
Thereafter	(10,476)

E. Actuarial Assumptions

The total pension liability at December 31, 2024 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at age 50 or after completion of 20 years of service. If a member is both age 50 and has completed 10 years of service, but not 20 years, the lump sum pension will be reduced by 4 percent for each year of service less than 20 years.

Discount Rate	5.75%
Inflation Rate	2.50%
Investment Rate of Return	5.75%
20 Year Municipal Bond Yield	4.05%

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

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plans - Fire Relief Association (Continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	55.00 %	4.10 %
International Equity	20.00	4.64
Fixed Income	5.00	1.05
Real Estate and Alternatives	5.00	3.54
Cash and Equivalents	15.00	(0.45)
Total	<u>100.00 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

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

	1 Percent Decrease (4.75%)	Current (5.75%)	1 Percent Increase (6.75%)
Defined Benefit Plan	\$ (662,724)	\$ (745,835)	\$ (826,332)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Alexandria Fire Department Relief Association, 704 Broadway, Alexandria, MN 56308.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 6: Postemployment Benefits Other Than Pensions

A. Plan Description

The City operates a single-employer retiree benefit plan ("the Plan") that provides health insurance to eligible employees and their families through the City's health insurance plan. The full cost of the benefits is covered by the plan. Benefit and eligibility provisions are established through negotiations between the City and various employee groups. The Plan does not issue a publicly available report.

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	9
Active Plan Members	<u>75</u>
Total Plan Members	<u><u>84</u></u>

B. Funding Policy

Contribution requirements are also negotiated between the City and union representatives. The City contributes a predetermined portion of the cost of current-year premiums for eligible retired plan members and their spouses based on the employment contract in effect at the time of retirement. For the year ended December 31, , the City's average contribution rate was 10.58 percent of covered-employee payroll.

For the year ended December 31, 2024, the City's average contribution rate was 15.86 percent of covered-employee payroll. For the fiscal year 2024, the City contributed \$27,484 to the plan, while implicit contributions totaled \$20,233. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of \$936,484 was measured as of December 31, 2023, and the OPEB liability was determined by an actuarial valuation as of December 31, 2022. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.77%
Expected Long-Term Investment Return	N/A
20-Year Municipal Bond Yield	3.77%
Inflation Rate	2.50%
Salary Increases	Varies
Medical Trend Rate	7.6% for FY2023, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2075 and later years.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 6: Postemployment Benefits Other Than Pensions (Continued)

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

Mortality rates were based on the Pub-2010 General Employee Mortality Table adjusted for mortality improvements using projection scale MP-2021, and other adjustments.

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

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	\$ 878,131
Service Costs	42,231
Interest Costs	36,385
Assumption Changes	24,133
Employer Contributions	(43,912)
Differences between expected and actual experience	(484)
Net Changes	58,353
 Balances at December 31, 2024	 \$ 936,484

Since the prior measurement date, the following assumptions changed:

- The discount rate, based on the index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index), has been updated through the December 31, 2024 reporting date.

Since the prior measurement date, the following plan provisions changed:

- None

Since the prior measurement date, the following benefit terms changed:

- None

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 6: Postemployment Benefits Other Than Pensions (Continued)

E. Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

1 Percent Decrease 2.77%	Discount Rate Current 3.77%	1 Percent Increase 4.77%
\$ 1,029,524	\$ 936,484	\$ 853,850

The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 7.6% Decreasing to 3.9%	Healthcare Cost Trend Rates 6.6% Decreasing to 2.9%	1 Percent Increase 8.6% Decreasing to 4.9%
\$ 825,621	\$ 936,484	\$ 1,067,116

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

For the year ended December 31, 2024, the City Recognized OPEB expense of \$62,231. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 473,050	\$ 38,792
Changes in Actuarial Assumptions	35,426	190,738
Contributions Paid to OPEB Subsequent to the Measurement Date	47,718	-
Total	\$ 556,194	\$ 229,530

Deferred outflows of resources totaling \$47,718 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability as of December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

2025	\$ 30,858
2026	30,449
2027	41,084
2028	44,160
2029	48,895
Thereafter	83,500

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 7: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

There are several pending litigations outstanding and at this point they are being handled by the League of Minnesota Cities legal team and the City could be subject to damages. At this time those damages are undeterminable.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

The City, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigations. The City estimates that the potential claims resulting from such litigation and not covered by insurance would not materially affect the financial statements of the City. No Liability or provision of loss has been recorded in the December 31, 2023 financial statements in relation to any of these matters.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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

C. Concentrations

The City receives a significant amount of its annual General fund revenues from the State of Minnesota from the Local Government Aid (LGA) program. The amount received in 2024 was \$1,910,945 which accounted for 14.7 percent of General fund revenues.

The Board of Public Utilities purchases substantially all power from two suppliers. Approximately forty percent of the Board of Public Work's labor force is subject to a collective bargaining agreement.

D. Joint Powers Agreement

The Flood Water Control Board was established by an agreement between the City of Alexandria, Douglas County, Alexandria Township, LaGrand Township, and Alexandria Lakes Area Sanitary District to prevent, control and abate water quality and flooding in the City watersheds. Per the agreement, in 2024, the City was not required to make a payment to the Water Control Board.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 7: Other Information (Continued)

The Alexandria Area Economic Development Commission is a not-for-profit 501 C 6 organization that was founded by the City of Alexandria and surrounding Townships in 1990 as a result of the Star City program. The Alexandria Area Economic Development Commission is responsible for coordinating daily economic development activities for the City and surrounding area. During 2024 the City paid TIF administration fees of \$62,375 to the Alexandria Area Economic Development Commission.

The Lakes Area Economic Development Authority was formed in 2004 with special legislation that brought together the Cities of Alexandria and Garfield and the Townships of Alexandria and LaGrand into an Authority. The purpose of the organization is to fund the operations of the Alexandria Area Economic Development Commission and to support economic development initiatives, through designated powers by the State of Minnesota and as a political subdivision of the state.

Alexandria Joint Airport Zoning Board was established to control zoning and land use at the airport by an agreement between the City of Alexandria and Douglas County.

The West Central Minnesota Drug & Violent Crime Task Force was established by an agreement between; Douglas County, Becker County, Otter Tail County, Grant County, Pope County, Wadena County, City of Glenwood, City of Starbuck, City of Fergus Falls, City of Pelican Rapids, City of Alexandria and City of Wadena, for the purpose of coordinating and strengthening efforts to identify, apprehend, and prosecute drug related and violent crime offenders, including but not limited to violent crimes and crimes such as the sale of illegal drugs, possession of illegal drugs and ancillary crimes.

The Minnesota Internet Crimes Against Children Task Force is an agreement between The State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension and The City of Alexandria Police Department to utilize state and federal laws to investigate and prosecute crimes committed against children and the criminal exploitation on children that is committed and/or facilitated by or through the use of computers.

E. Severance Pay

The Board of Public Utilities offers union and non-union employees a choice of one of two benefit options. Option 1, Matching Deferred Compensation is described in Note 16. Option 2, Severance Pay is described below. Employees hired after January 1, 2000, are only eligible for Option 1. Those employees with dates of employment before January 1, 2000 may choose whichever option is more beneficial to them.

The Board of Public Utilities will make a severance payment to those non-union employees who choose this option. The severance payment will be \$2,000 for each year of completed employment with the Board. Non-union employees will be eligible for this severance payment upon reaching the age of 55 and having 3 or more years of service or upon having 30 or more years of service regardless of age (if first hired prior to July 1, 1989).

Union employees will be eligible for this severance payment upon reaching the age for full retirement benefits as defined by PERA (See Note 9). Severance will be paid over a five year period in 60 monthly installments. If a separated employee dies before all or a portion of the severance pay has been disbursed, the balance due must be paid to a named beneficiary, or if lacking one, to the deceased's estate.

Severance pay provided for an employee leaving employment may not exceed an amount equivalent to one year of pay. Currently, no employee is eligible for the benefit once they retire or will be eligible for this benefit in the future.

Management has elected to record the liability at gross payout using the parameters discussed above. While this amount exceeds an actuarially computed liability which would include assumptions regarding employee retention through the date of eligibility and discounting the liability using present value calculations, the difference is immaterial to the financial statements.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 7: Other Information (Continued)

F. Deferred Compensation Plan

The City, Municipal Liquor Dispensary and Board of Public Utilities offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. The amounts deferred by employees or related income on those amounts are not assets held in the City's name and subject to the claims of the City's creditors; thus, the deferred compensation asset and related liability are not recorded on the City's balance sheet.

Matching Deferred Compensation

For employees choosing this benefit option the Board of Public Utilities will contribute an amount matching the employee contribution to the deferred compensation account on a dollar for dollar basis, but not to exceed an employer contribution of \$2,500 per year per employee. Current non-union employees were fully vested in the plan on January 1, 2000. Union employees became fully vested on January 1, 2001. New employees will be vested at the rate of 20 percent per year for the first five years of participation becoming fully vested after the fifth year. The Board contributed \$58,667 and \$61,250 in matching funds to the plan for the year ended December 31, 2024 and 2023, respectively.

Note 8: Tax Abatements

As of December 31, 2024, the City has thirty three agreements entered into by the City listed below that abate City property taxes. Below is information specific to each agreement:

The City entered into a tax abatement agreement on May 12, 2014 with Viking Plaza Associates (the Developer) in which the developer incurs costs for construction of a retail center. In return, the City will reimburse the developer for some costs as the city collects future increment for the increased property value and tax capacity related to the economic development. The agreement has a maximum return to the developer of \$67,792 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.1812-469.1815) and has a maximum duration of May 12, 2025. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #17) on December 8, 1997 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$3,073,677 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #25) on July 22, 2002 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$331,478 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #26) on October 28, 2002 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$3,055,482 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 8: Tax Abatements (Continued)

The City entered into a tax increment financing agreement (TIF #37) on April 23, 2007 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$367,827 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #39) on July 23, 2007 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$1,190,420 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #42) on December 22, 2008 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$5,748,258 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #43) on March 9, 2009 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$1,732,642 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #45) on July 25, 2011 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$287,933 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #47) on August 27, 2012 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$4,149,674 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #48) on November 13, 2012 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$573,496 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 8: Tax Abatements (Continued)

The City entered into a tax increment financing agreement (TIF #51) on April 13, 2015 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$715,433 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #52) on April 13, 2015 with a developer on in which the developer incurs costs for a multi-family development consisting of a thirty six unit structure. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The estimated amount of bonds to be issued is \$600,000. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #53) on November 14, 2016 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$706,229 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #54) on March 26, 2018 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$888,112 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #55) on March 26, 2018 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$515,353 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #56) on January 2, 2021 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The estimated amount of bonds to be issued is \$3,500,000. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #58) on July 26, 2022 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$539,402 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 8: Tax Abatements (Continued)

The City entered into a tax increment financing agreement (TIF #60) on March 17, 2022 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$191,683 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #61) on January 10, 2022 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$708,757 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #62) on May 23, 2022 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$1,929,633 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #64) on February 27, 2023 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$940,000 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #65) on October 1, 2023 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$3,679,644 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #66) on February 25, 2024 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$438,000 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). There were no taxes abated during the fiscal year related to this agreement.

The City entered into a tax increment financing agreement (TIF #67) on November 13, 2023 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$1,078,200 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). There were no taxes abated during the fiscal year related to this agreement.

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 8: Tax Abatements (Continued)

The City entered into a tax increment financing agreement (TIF #68) on October 14, 2024 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The pay-as-you-go agreement has a maximum return to the developer of \$1,212,746 over the life of the agreement. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). There were no taxes abated during the fiscal year related to this agreement.

The City entered into a tax increment financing agreement (TIF #69) on August 15, 2024 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The estimated amount of noted to be issued is \$6,421,872. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). There were no taxes abated during the fiscal year related to this agreement.

The City entered into a tax increment financing agreement (TIF #70) on August 26, 2024 with a developer on in which the developer incurs costs for property improvements. In return, the City will reimburse the developer for some costs as the city collects future tax increment for the increased property value and tax capacity related to the economic development. The estimated amount of noted to be issued is \$1,071,954. The agreement was negotiated under state law (Minnesota Statute 469.174-469.179). There were no taxes abated during the fiscal year related to this agreement.

	<u>City Tax Rate (Year of Establishment)</u>	<u>District Tax Capacity</u>	<u>Amount of taxes abated this fiscal year</u>
Tax Abatement Agreements			
Viking Plaza Associates			\$ 6,943
Tax Increment Districts (PAYGO)			
TIF #17	23.923%	\$ 76,534	18,309
TIF #25	34.126%	14,300	4,880
TIF #26	34.126%	182,753	62,366
TIF #37	30.124%	19,244	5,797
TIF #39	30.648%	15,960	4,891
TIF #42	33.898%	221,940	75,233
TIF #43	33.898%	74,803	25,357
TIF #45	33.828%	11,238	3,802
TIF #47	43.282%	159,503	69,036
TIF #48	43.282%	22,893	9,909
TIF #50	43.614%	(1,594)	(695)
TIF #51	43.614%	94,656	41,283
TIF #52	42.010%	29,445	12,370
TIF #53	42.010%	25,343	10,647
TIF #54	40.942%	102,568	41,993
TIF #55	40.942%	48,641	19,915
TIF #56	40.775%	(4,416)	(1,801)
TIF #58	40.472%	47,287	19,138
TIF #60	40.472%	37,584	15,211
TIF #61	40.472%	22,610	9,151
TIF #62	40.472%	53,120	21,499
TIF #64	40.472%	(7,923)	(3,207)
TIF #65	40.472%	(2,316)	(937)
			<u>\$ 471,090</u>

City of Alexandria, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 9: Change in Accounting Principle

During fiscal year 2024, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. There were no adjustments or restatements of beginning balances needed for the adoption of these statements.

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REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Alexandria, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2024

Schedule of Employer's Share of PERA Net Pension Liability - General Fund – City

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/24	0.0448 %	\$ 1,655,997	\$ 42,821	\$ 1,698,818	\$ 3,785,627	43.7 %	86.7 %
06/30/23	0.0449	2,510,758	69,306	2,580,064	3,543,627	70.9	83.1
06/30/22	0.0442	3,500,655	102,638	3,603,293	3,311,932	105.7	76.7
06/30/21	0.0424	1,810,670	55,301	1,865,971	3,053,760	59.3	87.0
06/30/20	0.0419	2,512,096	77,478	2,589,574	2,987,173	84.1	79.0
06/30/19	0.0409	2,261,269	70,330	2,331,599	2,893,901	78.1	80.2
06/30/18	0.0418	2,318,893	76,115	2,395,008	2,802,281	82.8	79.5
06/30/17	0.0420	2,681,252	-	2,681,252	2,707,621	99.0	75.9
06/30/16	0.0441	3,580,701	-	3,580,701	2,686,934	133.3	68.9
06/30/15	0.0425	2,202,571	-	2,202,571	1,886,669	116.7	78.2

Discretely Presented Component Unit - Board of Public Utilities

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/24	0.0380 %	\$ 1,403,875	36,301	\$ 1,440,176	\$ 3,213,953	43.7 %	96.7 %
06/30/23	0.0393	2,197,612	60,605	2,258,217	3,123,091	70.4	83.1
06/30/22	0.0401	3,175,933	92,938	3,268,871	3,001,605	105.8	76.7
06/30/21	0.0424	1,810,670	55,174	1,865,844	3,049,341	59.4	87.0
06/30/20	0.0425	2,548,069	78,554	2,626,623	3,029,142	84.1	79.0
06/30/19	0.0413	2,283,384	70,997	2,354,381	2,920,727	78.2	80.2
06/30/18	0.0412	2,285,607	74,881	2,360,488	2,767,756	82.6	79.5
06/30/17	0.0421	2,687,636	33,825	2,721,461	2,714,643	99.0	75.9
06/30/16	0.0425	3,450,789	45,116	3,495,905	2,638,344	130.8	68.9
06/30/15	0.0419	2,171,475	-	2,171,475	2,421,838	89.7	78.2

City of Alexandria, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2024

Schedule of Employer's PERA Contributions - General Employees Fund – City

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/24	\$ 298,272	\$ 298,272	\$ -	\$ 3,976,960	7.5 %
12/31/23	274,294	274,294	-	3,657,252	7.5
12/31/22	256,617	256,617	-	3,421,556	7.5
12/31/21	238,876	238,876	-	3,185,011	7.5
12/31/20	222,976	222,976	-	2,973,015	7.5
12/31/19	223,475	223,475	-	2,979,664	7.5
12/31/18	213,553	213,553	-	2,847,367	7.5
12/31/17	204,890	204,890	-	2,731,866	7.5
12/31/16	198,124	198,124	-	2,641,654	7.5
12/31/15	191,394	191,394	-	2,551,916	7.5

Discretely Presented Component Unit - Board of Public Utilities

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/24	\$ 250,311	\$ 250,311	\$ -	\$ 3,337,486	7.5 %
12/31/23	237,562	237,562	-	3,167,499	7.5
12/31/22	230,496	230,496	-	3,073,276	7.5
12/31/21	224,225	224,225	-	2,989,663	7.5
12/31/20	227,803	227,803	-	3,037,375	7.5
12/31/19	227,298	227,298	-	3,030,635	7.5
12/31/18	209,286	209,286	-	2,790,474	7.5
12/31/17	207,978	207,978	-	2,773,043	7.5
12/31/16	200,269	200,269	-	2,670,258	7.5
12/31/15	193,803	193,803	-	2,584,036	7.5

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - General Employee Fund

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 – The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2022.

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

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

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

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

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

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

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

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

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on

October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

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

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

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

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

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

2017 - The State's special funding contribution increased from \$6 million to \$16 million.

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

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

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/24	0.1824 %	\$ 2,399,243	\$ 91,458	\$ 2,490,701	\$ 2,525,312	95.0 %	87.0 %
06/30/23	0.1807	3,120,454	125,708	3,246,162	2,373,461	131.5	86.5
06/30/22	0.1796	7,815,483	341,340	8,156,823	2,181,134	358.3	70.5
06/30/21	0.1794	1,384,778	62,267	1,447,045	2,120,289	65.3	93.7
06/30/20	0.1876	2,472,769	58,248	2,531,017	2,116,257	116.8	87.2
06/30/19	0.1888	2,009,967	-	2,009,967	2,038,047	98.6	89.3
06/30/18	0.1828	1,948,460	-	1,948,460	1,926,385	101.1	88.8
06/30/17	0.1760	2,376,209	-	2,376,209	1,802,895	131.8	85.4
06/30/16	0.1740	6,982,923	-	6,982,923	1,680,278	415.6	63.9
06/30/15	0.1600	1,817,974	-	1,817,974	1,504,817	120.8	86.6

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

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/24	\$ 457,593	\$ 457,593	\$ -	\$ 2,585,271	17.7 %
12/31/23	434,359	434,359	-	2,454,003	17.7
12/31/22	404,187	404,187	-	2,283,545	17.7
12/31/21	372,173	372,173	-	2,102,675	17.7
12/31/20	380,636	380,636	-	2,150,487	17.7
12/31/19	345,991	345,991	-	2,041,246	16.9
12/31/18	319,039	319,039	-	1,969,377	16.2
12/31/17	304,579	304,579	-	1,880,119	16.2
12/31/16	278,811	278,811	-	1,721,056	16.2
12/31/15	243,780	243,780	-	1,504,817	16.2

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

Notes to the Required Supplementary Information - Police and Fire Fund

Changes in Actuarial Assumptions

2024 - There were no changes in actuarial assumptions since the previous valuation.

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2022. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

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

2018 - The mortality projection scale was changed from MP-2016 to MP-2017. As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

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

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

Changes in Plan Provisions

2024 - The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90.0 percent funded status for one year. The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023. Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years. A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 - There were no changes in plan provisions since the previous valuation.

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

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

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

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

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

2017- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

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

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

	2024 (Fire Relief Report Date 2023)	2023 (Fire Relief Report Date 2022)	2022 (Fire Relief Report Date 2021)	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)
Total Pension Liability									
Service cost	\$ 120,086	\$ 113,656	\$ 108,564	\$ 104,758	\$ 99,725	\$ 96,974	\$ 92,744	\$ 93,902	\$ 99,006
Interest	114,377	144,405	159,789	169,818	159,678	170,466	172,323	172,406	115,843
Changes of benefit terms	63,535	49,442	40,100	30,638	58,148	50,831	35,092	246,769	180,109
Differences between expected and actual experience		(85,480)	-	(114,619)	-	(81,151)	-	(228,614)	-
Changes of assumptions		27,992	-	29,447	-	43,549	-	31,842	(129,171)
Benefit payments, including refunds of employee contributions	(429,177)	(726,344)	(393,037)	(166,580)	(166,579)	(357,537)	(304,298)	-	(136,320)
Net Change in Total Pension Liability	(131,179)	(476,329)	(84,584)	53,462	150,972	(76,868)	(4,139)	316,305	129,467
Total Pension Liability - January 1	<u>2,083,669</u>	<u>2,559,998</u>	<u>2,644,582</u>	<u>2,591,120</u>	<u>2,440,148</u>	<u>2,517,016</u>	<u>2,521,155</u>	<u>2,204,850</u>	<u>2,075,383</u>
Total Pension Liability - December 31	<u>\$ 1,952,490</u>	<u>\$ 2,083,669</u>	<u>\$ 2,559,998</u>	<u>\$ 2,644,582</u>	<u>\$ 2,591,120</u>	<u>\$ 2,440,148</u>	<u>\$ 2,517,016</u>	<u>\$ 2,521,155</u>	<u>\$ 2,204,850</u>
Plan Fiduciary Net Position									
Other income	-	-	674	-	-	-	-	-	-
Contributions - state	192,776	179,933	161,635	170,554	145,910	159,187	140,428	136,992	135,561
Net investment income	382,166	(723,605)	501,381	257,320	672,655	(375,550)	583,315	225,208	(316,113)
Benefit payments, including refunds of employee contributions	(429,177)	(726,344)	(393,037)	(166,580)	(166,579)	(357,537)	(304,298)	-	(136,320)
Administrative expense	(18,078)	(14,417)	(12,088)	(12,829)	(6,765)	(6,350)	(7,578)	(5,800)	(6,360)
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	127,687	(1,284,433)	258,565	248,465	645,221	(580,250)	411,867	356,400	(323,232)
Plan Fiduciary Net Position - January 1	<u>2,570,638</u>	<u>3,855,071</u>	<u>3,596,506</u>	<u>3,348,041</u>	<u>2,702,820</u>	<u>3,283,070</u>	<u>2,871,203</u>	<u>2,514,803</u>	<u>2,838,035</u>
Plan Fiduciary Net Position - December 31 (B)	<u>\$ 2,698,325</u>	<u>\$ 2,570,638</u>	<u>\$ 3,855,071</u>	<u>\$ 3,596,506</u>	<u>\$ 3,348,041</u>	<u>\$ 2,702,820</u>	<u>\$ 3,283,070</u>	<u>\$ 2,871,203</u>	<u>\$ 2,514,803</u>
Fire Relief's Net Pension Liability (Asset) - December 31 (A-B)	<u>\$ (745,835)</u>	<u>\$ (486,969)</u>	<u>\$ (1,295,073)</u>	<u>\$ (951,924)</u>	<u>\$ (756,921)</u>	<u>\$ (262,672)</u>	<u>\$ (766,054)</u>	<u>\$ (350,048)</u>	<u>\$ (309,953)</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability (B/A)	138.20%	123.37%	150.59%	136.00%	129.21%	110.76%	130.44%	113.88%	114.06%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) As a Percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

City of Alexandria, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2024

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

Changes in Actuarial Assumptions

2024 – There were no changes in plan provisions since the previous valuation.

2023 – The expected investment return and discount rate decreased from 6.25 to 5.75% to reflect updated capital market assumptions. The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2020 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police & Fire Plan actuarial valuation. The inflation assumption increased from 2.25% to 2.50%

2022 - There were no changes in plan provisions since the previous valuation.

2021 - The expected investment return and discount rate decreased from 6.50% to 6.25% to reflect updated capital market assumptions. The inflation assumption decreased from 2.50% to 2.25%. The mortality assumptions were updated from the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2020 Minnesota PERA Police & Fire Plan actuarial valuation.

2020 - The index rate for 20-year, tax-exempt municipal bonds decreased from 3.71% to 2.75%

2019 - The expected investment return and discount rate decreased from 7.00% to 6.50% to reflect updated capital market assumptions. The mortality and withdrawal assumptions were updated to the rates used in the July 1, 2018 Minnesota PERA Police & Fire Plan actuarial valuation. The inflation assumption decreased from 2.75% to 2.50%.

2018 - There were no changes in plan provisions since the previous valuation.

2017 - There were no changes in plan provisions since the previous valuation.

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

2015 - There were no changes in plan provisions since the previous valuation.

Changes in Benefits

2024 – The annual lump sum amount increased from \$8,915 to \$9,272.

2023 - The annual lump sum amount increased from \$8,655 to \$8,915.

2022 - The annual lump sum amount increased from \$8,403 to \$8,655.

2021 - The annual lump sum amount increased from \$8,279 to \$8,403.

2020 - The annual lump sum amount increased from \$8,077 to \$8,279.

2019 - The annual lump sum amount increased from \$7,880 to \$8,077.

2018 - The annual lump sum benefit increased from \$7,225 to \$7,880 effective December 11, 2017.

2017 - There were no changes in plan provisions since the previous valuation.

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

2015 - The \$6,766 lump sum benefit increased to \$7,500 on December 14, 2015.

City of Alexandria, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended December 31, 2024

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/24	\$ 220,377	\$ 220,377	\$ -
12/31/23	190,776	190,776	-
12/31/22	161,635	161,635	-
12/31/21	170,554	170,554	-
12/31/20	145,910	145,910	-
12/31/19	159,187	159,187	-
12/31/18	140,428	140,428	-
12/31/17	136,992	136,992	-
12/31/16	135,561	135,561	-
12/31/15	129,243	129,243	-

City of Alexandria, Minnesota
Required Supplementary Information
For the Year Ended December 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Costs	\$ 42,231	\$ 45,755	\$ 43,324	\$ 49,999	\$ 42,064	\$ 39,353	\$ 34,340
Interest Costs	36,385	8,713	9,156	14,531	16,976	18,517	19,309
Assumption Changes	24,133	(148,079)	2,666	(144,150)	20,560	(4,309)	19,895
Employer Contributions	(43,912)	-	-	-	-	-	-
Differences between expected and actual experience	(484)	571,037	13,815	51,823	-	(139,314)	-
Benefit Payment	-	(54,113)	(57,276)	(14,948)	(18,485)	(19,118)	(32,761)
Net Change in Total OPEB Liability	58,353	423,313	11,685	(42,745)	61,115	(104,871)	40,783
Total OPEB Liability - Beginning	878,131	454,818	443,133	485,878	424,763	529,634	488,851
Total OPEB Liability - Ending	<u>\$ 936,484</u>	<u>\$ 878,131</u>	<u>\$ 454,818</u>	<u>\$ 443,133</u>	<u>\$ 485,878</u>	<u>\$ 424,763</u>	<u>\$ 529,634</u>
Covered - Employee Payroll	\$ 5,905,982	\$ 5,575,282	\$ 5,267,091	\$ 4,187,255	\$ 4,866,062	\$ 4,684,169	\$ 4,684,169
City's total OPEB liability as a percentage of covered employee payroll	15.86 %	15.75 %	8.64 %	10.58 %	9.99 %	9.07 %	11.31 %

Changes in assumptions:

In 2024, the following assumption changes:

- The discount rate was changed from 4.05% to 3.77% based on updated 20-year municipal bond rates.

In 2023, the following assumption changes:

- The discount rate was changed from 1.84% to 4.05% based on updated 20-year municipal bond rates. Healthcare trend rates were reset to reflect updated cost increase expectations. Medical per capita claims costs were updated to reflect recent experience. Mortality rates were updated from the rates used in the 7/1/2021 PERA General Employees Plan and 7/1/2021 PERA Police & Fire Plan valuations to the rates used in the 7/1/2023 valuations. The general inflation assumption was changed from 2.25% to 2.50% based on an updated analysis of historical inflation rates and forward looking market expectations. The payroll growth was changed from 3.00% to 3.25% due to a change in the underlying inflation assumption.

In 2022, there were no assumption changes.

In 2021, the following assumption changes:

- The discount rate was changed from 2.75% to 2.00% based on updated 20-year municipal bond rates. Healthcare trend rates were reset to reflect updated cost increase expectations. Medical per capita claims costs were updated to reflect recent experience, including an adjustment to reflect age/gender based risk scores published by the Society of Actuaries. Withdrawal, retirement, mortality, disability, and salary increase rates were updated from the rates used in the 7/1/2018 PERA General Employees Plan and 7/1/2018 PERA Police & Fire Plan valuations to the rates used in the 7/1/2022 valuations. The percent of future retirees not eligible for an explicit subsidy assumed to elect coverage at retirement changed from 40% to 30% to reflect recent plan experience. The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

In 2020, the following assumption changes:

- The discount rate was changed from 3.71% to 2.50% based on updated 20-year municipal bond rates.

In 2019, the following assumption changes:

- The discount rate was changed from 3.31% to 3.71% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims cost were updated to reflect recent experience.
- Mortality and salary increase rates were updated from the rates used in the 7/1/2016 PERA General Employees Retirement Plan to the rates used in the 7/1/2018 valuation.
- Mortality and salary increase rates were updated from the rates used in the 7/1/2016 PERA Police & Fire Plan to the rates used in the 7/1/2018 valuation.
- The inflation assumption was changed from 2.75% to 2.5% based on an updated historical analysis of inflation rates and forward-looking market expectations.

In 2018, the following assumption changes:

Changes in Plan Provisions:

- None

Changes in benefits:

In 2024, there were no benefit changes

In 2023, retiree premiums were updated to current levels.

In 2022, there were no benefit changes.

In 2021, there were no benefit changes.

In 2020, there were no benefit changes.

In 2019, there were no benefit changes.

In 2018, there were no benefit changes.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Alexandria, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2024

	210 Lodging Tax Fund	214 Employee Benefit	217 Firemen's Relief	220 Plans and Studies	223 Sanitary Sewer District	205 Tree Preservation
Assets						
Cash and temporary investments	\$ 22,989	\$ 278	\$ 108,199	\$ 83,980	\$ 12,700	\$ 94,965
Receivables						
Delinquent taxes	-	261	44	257	7,945	-
Accounts	-	-	-	-	-	-
Notes and loans, net of allowance	-	-	-	-	-	-
Intergovernmental	-	184	8	187	5,554	-
Total Assets	<u>\$ 22,989</u>	<u>\$ 723</u>	<u>\$ 108,251</u>	<u>\$ 84,424</u>	<u>\$ 26,199</u>	<u>\$ 94,965</u>
Liabilities						
Accounts payable	\$ 21,617	-	-	-	-	-
Deferred Inflows of Resources						
Unavailable revenue - taxes	-	261	44	257	7,945	-
Fund Balances						
Restricted for						
Economic development	1,372	-	-	-	-	-
Committed for						
Payment of benefits	-	462	-	-	-	-
Firefighter's retirement obligation	-	-	108,207	-	-	-
Economic development	-	-	-	84,167	-	-
Tree Preservation	-	-	-	-	-	94,965
Sanitary sewer district appropriations	-	-	-	-	18,254	-
Total Fund Balances	<u>1,372</u>	<u>462</u>	<u>108,207</u>	<u>84,167</u>	<u>18,254</u>	<u>94,965</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,989</u>	<u>\$ 723</u>	<u>\$ 108,251</u>	<u>\$ 84,424</u>	<u>\$ 26,199</u>	<u>\$ 94,965</u>

206 American Rescue Plan Act	296 HTF	297/298 Revolving Loan	299 Statewide Local Housing Aid	Tax Increment Financing Total	Total Nonmajor Special Revenue
\$ -	\$ 93,490	\$ 681,203	\$ 207,102	\$ 1,158,732	\$ 2,463,638
-	-	-	-	-	8,507
-	-	-	-	19,015	19,015
-	137,068	1,407,693	-	373,700	1,918,461
-	-	-	-	-	5,933
<u>\$ -</u>	<u>\$ 230,558</u>	<u>\$ 2,088,896</u>	<u>\$ 207,102</u>	<u>\$ 1,551,447</u>	<u>\$ 4,415,554</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,597</u>	<u>\$ 91,214</u>
-	-	-	-	-	8,507
-	230,558	2,088,896	207,102	1,481,850	4,009,778
-	-	-	-	-	462
-	-	-	-	-	108,207
-	-	-	-	-	84,167
-	-	-	-	-	94,965
-	-	-	-	-	18,254
<u>-</u>	<u>230,558</u>	<u>2,088,896</u>	<u>207,102</u>	<u>1,481,850</u>	<u>4,315,833</u>
<u>\$ -</u>	<u>\$ 230,558</u>	<u>\$ 2,088,896</u>	<u>\$ 207,102</u>	<u>\$ 1,551,447</u>	<u>\$ 4,415,554</u>

City of Alexandria, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 For the Year Ended December 31, 2024

	210 Lodging Tax Fund	214 Employee Benefit	217 Firemen's Relief	220 Plans and Studies	223 Sanitary Sewer District	205 Tree Preservation
Revenues						
Taxes						
Property taxes	\$ -	\$ 20,040	\$ 7	\$ 20,039	\$ 602,821	\$ -
Tax increments	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Lodging Tax	467,199	-	-	-	-	-
Intergovernmental						
State	-	2	220,377	2	68	-
Charges for service	-	-	-	-	-	-
Investment earnings	-	276	3,534	2,344	2,439	3,102
Miscellaneous						
Other	-	67	-	67	2,079	-
Total Revenues	<u>467,199</u>	<u>20,385</u>	<u>223,918</u>	<u>22,452</u>	<u>607,407</u>	<u>3,102</u>
Expenditures						
Current						
Public safety	-	-	220,377	-	-	-
Public works	-	-	-	-	604,785	-
Economic development	467,199	-	-	2,500	-	-
Total Expenditures	<u>467,199</u>	<u>-</u>	<u>220,377</u>	<u>2,500</u>	<u>604,785</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>20,385</u>	<u>3,541</u>	<u>19,952</u>	<u>2,622</u>	<u>3,102</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(20,372)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,372)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	13	3,541	19,952	2,622	3,102
Fund Balances, January 1	<u>1,372</u>	<u>449</u>	<u>104,666</u>	<u>64,215</u>	<u>15,632</u>	<u>91,863</u>
Fund Balances, December 31	<u>\$ 1,372</u>	<u>\$ 462</u>	<u>\$ 108,207</u>	<u>\$ 84,167</u>	<u>\$ 18,254</u>	<u>\$ 94,965</u>

206 American Rescue Plan Act	296 HTF	297/298 Revolving Loan	299 Statewide Local Housing Aid	Tax Increment Financing Total	Total Nonmajor Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 642,907
-	-	-	-	1,404,168	1,404,168
-	-	-	-	114,608	114,608
-	-	-	-	-	467,199
-	-	-	101,341	-	321,790
-	-	-	-	130,750	130,750
-	800	79,832	4,420	41,908	138,655
-	-	-	-	205	2,418
-	800	79,832	105,761	1,691,639	3,222,495
-	-	-	-	-	220,377
-	-	-	-	-	604,785
-	-	-	-	1,637,998	2,107,697
-	-	-	-	1,637,998	2,932,859
-	800	79,832	105,761	53,641	289,636
-	68,659	-	101,341	-	170,000
(54,551)	(101,341)	-	-	(104,954)	(281,218)
(54,551)	(32,682)	-	101,341	(104,954)	(111,218)
(54,551)	(31,882)	79,832	207,102	(51,313)	178,418
54,551	262,440	2,009,064	-	1,533,163	4,137,415
<u>\$ -</u>	<u>\$ 230,558</u>	<u>\$ 2,088,896</u>	<u>\$ 207,102</u>	<u>\$ 1,481,850</u>	<u>\$ 4,315,833</u>

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City of Alexandria, Minnesota
 General Fund
 Comparative Balance Sheets
 December 31, 2024 and 2023

	2024	2023
Assets		
Cash and temporary investments	\$ 8,261,891	\$ 7,127,601
Receivables		
Interest	87,353	56,292
Delinquent taxes	76,171	65,600
Accounts	292,276	375,725
Special assessments	11,387	3,517
Intergovernmental	77,967	108,964
Leases	630,245	77,995
Due from other funds	55,090	52,140
Due from component unit	80,685	81,006
Prepaid items	17,685	15,828
 Total Assets	 \$ 9,590,750	 \$ 7,964,668
Liabilities		
Accounts payable	\$ 299,091	\$ 237,379
Due to other governments	17,146	31,498
Accrued salaries payable	343,343	255,985
Deposits payable	57,017	79,633
Unearned revenue	-	16
Total Liabilities	716,597	604,511
Deferred Inflows of Resources		
Lease receivable	642,489	76,461
Unavailable revenue - taxes	76,171	65,600
Unavailable revenue - special assessments	11,387	3,517
Total Deferred Inflows of Resources	730,047	145,578
Fund Balances		
Nonspendable for		
Prepaid items	17,685	15,828
Restricted for		
Public safety	592,146	642,839
Wellness	9,727	10,561
Assigned for		
Wellness	42,453	40,748
Unassigned	7,482,095	6,504,603
Total Fund Balances	8,144,106	7,214,579
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 9,590,750	 \$ 7,964,668

City of Alexandria, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
	Original and Final			
Revenues				
Taxes				
Property taxes	\$ 6,334,997	\$ 6,279,270	\$ (55,727)	\$ 5,496,296
Franchise taxes	660,000	524,081	(135,919)	657,019
Total taxes	<u>6,994,997</u>	<u>6,803,351</u>	<u>(191,646)</u>	<u>6,153,315</u>
Payment in lieu of taxes	<u>1,010,000</u>	<u>1,029,351</u>	<u>19,351</u>	<u>1,006,671</u>
Special assessments	<u>-</u>	<u>2,312</u>	<u>2,312</u>	<u>14,764</u>
Licenses and permits				
Business licenses	92,700	114,435	21,735	97,330
Nonbusiness licenses	38,300	68,109	29,809	48,425
Building permits	504,000	854,743	350,743	797,871
Total licenses and permits	<u>635,000</u>	<u>1,037,287</u>	<u>402,287</u>	<u>943,626</u>
Intergovernmental				
Federal				
Other Federal grants	<u>20,000</u>	<u>24,482</u>	<u>4,482</u>	<u>37,916</u>
State				
Local government aid	1,910,945	1,910,945	-	1,608,142
Property tax credits and aids	-	712	712	599
Police aid	265,000	312,143	47,143	266,791
Airport maintenance	73,020	42,585	(30,435)	103,455
Other State aids	69,000	116,642	47,642	736,174
Total state	<u>2,317,965</u>	<u>2,383,027</u>	<u>65,062</u>	<u>2,715,161</u>
Total intergovernmental	<u>2,337,965</u>	<u>2,407,509</u>	<u>69,544</u>	<u>2,753,077</u>
Charges for services				
General government	77,450	79,623	2,173	75,933
Public safety	173,660	281,056	107,396	341,098
Public works	23,000	32,686	9,686	25,844
Culture and recreation	598,463	590,570	(7,893)	604,570
Airport	128,000	120,968	(7,032)	113,433
Total charges for services	<u>1,000,573</u>	<u>1,104,903</u>	<u>104,330</u>	<u>1,160,878</u>
Fines and forfeits	<u>101,000</u>	<u>100,244</u>	<u>(756)</u>	<u>91,273</u>
Investment earnings (loss)	<u>40,000</u>	<u>409,158</u>	<u>369,158</u>	<u>296,151</u>
Other revenue				
Contributions and donations	-	7,217	7,217	1,030
Other	61,000	97,281	36,281	248,621
Total other revenue	<u>61,000</u>	<u>104,498</u>	<u>43,498</u>	<u>249,651</u>
Total Revenues	<u>12,180,535</u>	<u>12,998,613</u>	<u>818,078</u>	<u>12,669,406</u>

City of Alexandria, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amount	Actual Amounts	Variance with Final Budget	Actual Amounts
	Original and Final			
Expenditures				
Current				
General government				
Mayor and council				
Personal services	\$ 73,589	\$ 73,728	\$ (139)	\$ 72,647
Other services and charges	82,800	57,205	25,595	67,419
Total mayor and council	<u>156,389</u>	<u>130,933</u>	<u>25,456</u>	<u>140,066</u>
Administration				
Personal services	723,051	723,786	(735)	675,132
Supplies	750	421	329	772
Other services and charges	79,400	69,480	9,920	36,999
Total administration	<u>803,201</u>	<u>793,687</u>	<u>9,514</u>	<u>712,903</u>
Elections				
Personal services	48,000	47,618	382	-
Supplies	4,700	220	4,480	-
Other services and charges	6,000	2,525	3,475	-
Total elections	<u>58,700</u>	<u>50,363</u>	<u>8,337</u>	<u>-</u>
Community development				
Personal services	185,840	180,438	5,402	182,711
Other services and charges	1,200	20	1,180	28,401
Total community development	<u>187,040</u>	<u>180,458</u>	<u>6,582</u>	<u>211,112</u>
Planning and zoning				
Personal services	4,700	3,983	717	2,691
Other services and charges	3,300	3,028	272	3,592
Total planning and zoning	<u>8,000</u>	<u>7,011</u>	<u>989</u>	<u>6,283</u>
Assessor				
Personal services	231,776	231,482	294	215,022
Supplies	200	323	(123)	-
Other services and charges	11,280	10,683	597	4,652
Total assessor	<u>243,256</u>	<u>242,488</u>	<u>768</u>	<u>219,674</u>
Legal and accounting				
Supplies	1,500	836	664	698
Other services and charges	471,980	491,951	(19,971)	437,994
Total legal and accounting	<u>473,480</u>	<u>492,787</u>	<u>(19,307)</u>	<u>438,692</u>
Human resources				
Personal services	137,360	109,746	27,614	122,217
Supplies	300	260	40	1,236
Other services and charges	34,550	24,701	9,849	32,883
Total human resources	<u>172,210</u>	<u>134,707</u>	<u>37,503</u>	<u>156,336</u>
Employee wellness				
Personal services	-	1,643	(1,643)	2,465
Other services and charges	10,000	338	9,662	1,650
Total employee wellness	<u>10,000</u>	<u>1,981</u>	<u>8,019</u>	<u>4,115</u>

City of Alexandria, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amount	Actual Amounts	Variance with Final Budget	Actual Amounts
	Original and Final			
Expenditures (Continued)				
Current (continued)				
General government (continued)				
Information technology				
Personal services	\$ 76,642	\$ 120,821	\$ (44,179)	\$ 46,383
Supplies	-	208	(208)	714
Other services and charges	37,500	9,320	28,180	25,973
Total information technology	<u>114,142</u>	<u>130,349</u>	<u>(16,207)</u>	<u>73,070</u>
Other general government				
Personal services	3,500	13,772	(10,272)	3,829
Supplies	16,250	13,173	3,077	13,259
Other services and charges	901,620	936,065	(34,445)	840,237
Total other general government	<u>921,370</u>	<u>963,010</u>	<u>(41,640)</u>	<u>857,325</u>
Total General Government	<u>3,147,788</u>	<u>3,127,774</u>	<u>20,014</u>	<u>2,819,576</u>
Public safety				
Police protection				
Personal services	3,605,713	3,723,548	(117,835)	2,653,412
Supplies	57,300	56,644	656	59,292
Other services and charges	464,100	460,934	3,166	397,728
Total police protection	<u>4,127,113</u>	<u>4,241,126</u>	<u>(114,013)</u>	<u>3,110,432</u>
Fire protection				
Personal services	165,250	167,778	(2,528)	150,801
Supplies	40,800	50,518	(9,718)	47,029
Other services and charges	263,315	274,152	(10,837)	205,229
Total fire protection	<u>469,365</u>	<u>492,448</u>	<u>(23,083)</u>	<u>403,059</u>
Building inspection				
Personal services	383,676	385,357	(1,681)	367,968
Supplies	3,925	2,542	1,383	3,231
Other services and charges	89,610	57,175	32,435	76,505
Total building inspection	<u>477,211</u>	<u>445,074</u>	<u>32,137</u>	<u>447,704</u>
Emergency management				
Other services and charges	<u>11,550</u>	<u>11,017</u>	<u>533</u>	<u>7,773</u>
Traffic signs and signals				
Personal services	-	-	-	572
Supplies	18,500	4,129	14,371	10,639
Other services and charges	22,500	19,595	2,905	18,268
Total traffic signs and signals	<u>41,000</u>	<u>23,724</u>	<u>17,276</u>	<u>29,479</u>

City of Alexandria, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amount	Actual Amounts	Variance with Final Budget	Actual Amounts
	Original and Final			
Expenditures (Continued)				
Current (Continued)				
Animal control				
Other services and charges	\$ 38,000	\$ 38,211	\$ (211)	\$ 23,594
Total public safety	<u>5,164,239</u>	<u>5,251,600</u>	<u>(87,361)</u>	<u>4,022,041</u>
Public works				
Highways, streets and alleys				
Personal services	1,121,576	1,030,312	91,264	917,292
Supplies	125,400	90,205	35,195	122,426
Other services and charges	19,300	15,922	3,378	14,588
Total highways, streets and alleys	<u>1,266,276</u>	<u>1,136,439</u>	<u>129,837</u>	<u>1,054,306</u>
Engineering				
Other services and charges	<u>150,000</u>	<u>147,134</u>	<u>2,866</u>	<u>187,789</u>
Blacktop repair				
Supplies	100,000	98,410	1,590	89,460
Other services and charges	2,000	-	2,000	-
Total blacktop repair	<u>102,000</u>	<u>98,410</u>	<u>3,590</u>	<u>89,460</u>
Dust control				
Supplies	<u>2,000</u>	<u>3,409</u>	<u>(1,409)</u>	<u>-</u>
Sidewalks and curbs				
Other services and charges	<u>116,000</u>	<u>101,945</u>	<u>14,055</u>	<u>89,065</u>
Snow and ice control				
Personal services	-	1,323	(1,323)	35,245
Supplies	125,000	101,078	23,922	144,007
Other services and charges	46,500	23,811	22,689	33,240
Total snow and ice control	<u>171,500</u>	<u>126,212</u>	<u>45,288</u>	<u>212,492</u>
Equipment maintenance				
Personal services	-	-	-	3,087
Supplies	28,700	20,793	7,907	21,407
Other services and charges	146,150	140,665	5,485	146,568
Total equipment maintenance	<u>174,850</u>	<u>161,458</u>	<u>13,392</u>	<u>171,062</u>
Weed eradication				
Supplies	<u>20,000</u>	<u>26,194</u>	<u>(6,194)</u>	<u>23,322</u>
Street lighting				
Other services and charges	<u>120,000</u>	<u>132,909</u>	<u>(12,909)</u>	<u>122,712</u>
Total Public Works	<u>2,122,626</u>	<u>1,934,110</u>	<u>188,516</u>	<u>1,950,208</u>

City of Alexandria, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amount	Actual Amounts	Variance with Final Budget	Actual Amounts
	Original and Final			
Expenditures (Continued)				
Current (Continued)				
Culture and recreation				
Recreation				
Other services and charges	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
Runestone Community Center				
Personal services	490,831	473,873	16,958	442,509
Supplies	23,000	24,084	(1,084)	21,222
Other services and charges	266,400	289,440	(23,040)	236,733
Total Runestone Community Center	<u>780,231</u>	<u>787,397</u>	<u>(7,166)</u>	<u>700,464</u>
KN Stadium				
Supplies	3,000	3,666	(666)	1,655
Other services and charges	28,500	48,311	(19,811)	31,757
Total KN Stadium	<u>31,500</u>	<u>51,977</u>	<u>(20,477)</u>	<u>33,412</u>
Senior citizens				
Other services and charges	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>25,000</u>
Parks				
Personal services	671,041	660,686	10,355	604,547
Supplies	89,000	73,073	15,927	75,490
Other services and charges	149,700	114,724	34,976	147,643
Total parks	<u>909,741</u>	<u>848,483</u>	<u>61,258</u>	<u>827,680</u>
Total Culture and Recreation	<u>1,786,472</u>	<u>1,752,857</u>	<u>33,615</u>	<u>1,621,556</u>
Airport				
Airport operations				
Personal services	2,310	2,435	(125)	2,337
Supplies	12,100	8,689	3,411	10,317
Other services and charges	213,000	213,684	(684)	253,623
Total airport	<u>227,410</u>	<u>224,808</u>	<u>2,602</u>	<u>266,277</u>
Total Current	<u>12,448,535</u>	<u>12,291,149</u>	<u>157,386</u>	<u>10,679,658</u>

City of Alexandria, Minnesota
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023
	Budgeted Amount	Actual Amounts	Variance with Final Budget	Actual Amounts
	Original and Final			
Expenditures (Continued)				
Capital outlay				
General government	\$ 5,500	\$ 10,114	\$ (4,614)	\$ 10,675
Public safety	67,000	104,834	(37,834)	61,986
Public works	10,000	-	10,000	5,745
Culture and recreation	11,500	5,445	6,055	699
Airport	3,000	13,800	(10,800)	-
Total capital outlay	<u>97,000</u>	<u>134,193</u>	<u>(37,193)</u>	<u>79,105</u>
Total Expenditures	<u>12,545,535</u>	<u>12,425,342</u>	<u>120,193</u>	<u>10,758,763</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(365,000)</u>	<u>573,271</u>	<u>938,271</u>	<u>1,910,643</u>
Other Financing Sources (Uses)				
Transfers in	375,000	456,256	81,256	441,045
Transfers out	<u>(10,000)</u>	<u>(100,000)</u>	<u>(90,000)</u>	<u>(1,124,871)</u>
Total Other Financing Sources (Uses)	<u>365,000</u>	<u>356,256</u>	<u>(8,744)</u>	<u>(683,826)</u>
Net Change in Fund Balances	-	929,527	929,527	1,226,817
Fund Balances, January 1	<u>7,214,579</u>	<u>7,214,579</u>	<u>-</u>	<u>5,987,762</u>
Fund Balances, December 31	<u><u>\$ 7,214,579</u></u>	<u><u>\$ 8,144,106</u></u>	<u><u>\$ 929,527</u></u>	<u><u>\$ 7,214,579</u></u>

City of Alexandria, Minnesota
Capital Projects Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2024

	430	433	437	438	439
	Fire Equipment	Park Development	RCC Equipment	Public Works Equipment	Police Equipment
Assets					
Cash and temporary investments	\$ 810,154	\$ 234,209	\$ 16,000	\$ 149,725	\$ 226,669
Receivables					
Delinquent taxes	635	40	375	2,568	1,109
Accounts	6,092	3,640	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	501	8	276	1,967	827
Leases	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from component unit	-	-	-	-	-
Prepaid items	25,422	-	-	-	-
Total Assets	\$ 842,804	\$ 237,897	\$ 16,651	\$ 154,260	\$ 228,605
Liabilities					
Accounts payable	\$ -	\$ 251,167	\$ -	\$ -	\$ -
Contracts payable	-	13,219	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	85,476	-
Advance from other funds	-	560,483	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	824,869	-	85,476	-
Deferred Inflows of Resources					
Deferred lease resources	-	-	-	-	-
Unavailable revenue - taxes	635	40	375	2,568	1,109
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-
Advance from other government	-	-	-	-	-
Total Deferred Inflows of Resources	635	40	375	2,568	1,109
Fund Balances					
Nonspendable for					
Prepaid items	25,422	-	-	-	-
Restricted for					
Capital outlay	454,301	-	-	-	-
Committed for					
Capital outlay	362,446	-	16,276	66,216	227,496
Assigned for					
Capital outlay	-	-	-	-	-
Unassigned	-	(587,012)	-	-	-
Total Fund Balances	842,169	(587,012)	16,276	66,216	227,496
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 842,804	\$ 237,897	\$ 16,651	\$ 154,260	\$ 228,605

440	401	402	404	405	406
IT Equipment	Capital Improvement	Municipal State Aid	Local Street Overlay	2020 Street Reconstruction	Airport Development
\$ 123,057	\$ 1,717,664	\$ (1,372,018)	\$ 94,659	\$ (97,298)	\$ 329,818
623	219	-	2,191	-	461
-	4,814	-	-	-	780
-	-	-	-	-	-
452	44	618,239	1,819	1,370	363
-	-	-	-	-	228,599
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,968	-	-	-	-
<u>\$ 124,132</u>	<u>\$ 1,734,709</u>	<u>\$ (753,779)</u>	<u>\$ 98,669</u>	<u>\$ (95,928)</u>	<u>\$ 560,021</u>
\$ 617	\$ -	\$ -	\$ 58,776	\$ -	\$ 6,456
-	-	15,061	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8,240
<u>617</u>	<u>-</u>	<u>15,061</u>	<u>58,776</u>	<u>-</u>	<u>14,696</u>
-	-	-	-	-	231,161
623	219	-	2,191	-	461
-	-	-	-	-	-
-	-	609,537	-	-	-
-	-	1,316,486	-	-	-
<u>623</u>	<u>219</u>	<u>1,926,023</u>	<u>2,191</u>	<u>-</u>	<u>231,622</u>
-	11,968	-	-	-	-
-	-	-	-	-	-
122,892	1,722,522	-	37,702	-	-
-	-	-	-	-	313,703
-	-	(2,694,863)	-	(95,928)	-
<u>122,892</u>	<u>1,734,490</u>	<u>(2,694,863)</u>	<u>37,702</u>	<u>(95,928)</u>	<u>313,703</u>
<u>\$ 124,132</u>	<u>\$ 1,734,709</u>	<u>\$ (753,779)</u>	<u>\$ 98,669</u>	<u>\$ (95,928)</u>	<u>\$ 560,021</u>

City of Alexandria, Minnesota
Capital Projects Funds
Combining Balance Sheet (Continued)
December 31, 2024

	411 44th Ave Extention Project	412 18th Ave Reconstruction Project	414 Revolving Improvement	417 RCC Expansion	419 Nature Trail
Assets					
Cash and temporary investments	\$ 8,225	\$(1,226,755)	\$ 2,178,291	\$ 9,709,380	\$ (4,045)
Receivables					
Delinquent taxes	-	-	-	-	-
Accounts	-	-	5,010	-	-
Special assessments	-	-	1,378,684	-	-
Intergovernmental	-	537,005	3,418	-	-
Leases	-	-	-	-	-
Advances to other funds	-	-	560,483	-	-
Due from other funds	-	-	85,476	-	-
Due from component unit	-	508,927	-	-	-
Prepaid items	-	-	-	-	-
Total Assets	\$ 8,225	\$ (180,823)	\$ 4,211,362	\$ 9,709,380	\$ (4,045)
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1,790	\$ 579,862	\$ -
Contracts payable	-	-	-	253,132	-
Deposits payable	-	15,160	111,653	-	-
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	-	15,160	113,443	832,994	-
Deferred Inflows of Resources					
Deferred lease resources	-	-	-	-	-
Unavailable revenue - taxes	-	-	-	-	-
Unavailable revenue - special assessments	-	-	1,378,684	-	-
Unavailable revenue - intergovernmental	-	487,780	7,617	-	-
Advance from other government	-	-	-	-	-
Total Deferred Inflows of Resources	-	487,780	1,386,301	-	-
Fund Balances					
Nonspendable for					
Prepaid items	-	-	-	-	-
Restricted for					
Capital outlay	8,225	-	-	8,876,386	-
Committed for					
Capital outlay	-	-	2,302,753	-	-
Assigned for					
Capital outlay	-	-	408,865	-	-
Unassigned	-	(683,763)	-	-	(4,045)
Total Fund Balances	8,225	(683,763)	2,711,618	8,876,386	(4,045)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,225	\$ (180,823)	\$ 4,211,362	\$ 9,709,380	\$ (4,045)

420 Nokomis Street Improvement	435 Administration Equipment	418 RCC Expansion Phase 3	450 Child Care Construction Project	Total Capital Projects
\$ (1,147,987)	\$ 9,652	\$ (69,034)	\$ 40,485	11,730,851
-	214	-	-	8,435
-	-	-	-	20,336
-	-	-	-	1,378,684
626,621	180	-	110,712	1,903,802
-	-	-	-	228,599
-	-	-	-	560,483
-	-	-	-	85,476
-	-	-	-	508,927
-	-	-	-	37,390
<u>\$ (521,366)</u>	<u>\$ 10,046</u>	<u>\$ (69,034)</u>	<u>\$ 151,197</u>	<u>\$ 16,462,983</u>
\$ 1,157	\$ -	\$ -	\$ 14,902	\$ 914,727
67,756	-	-	-	349,168
-	-	-	-	126,813
-	-	-	-	85,476
-	-	-	-	560,483
-	-	-	110,713	118,953
<u>68,913</u>	<u>-</u>	<u>-</u>	<u>125,615</u>	<u>2,155,620</u>
-	-	-	-	231,161
-	214	-	-	8,435
-	-	-	-	1,378,684
626,621	-	-	-	1,731,555
-	-	-	-	1,316,486
<u>626,621</u>	<u>214</u>	<u>-</u>	<u>-</u>	<u>4,666,321</u>
-	-	-	-	37,390
-	-	-	-	9,338,912
-	9,832	-	25,582	4,893,717
-	-	-	-	722,568
<u>(1,216,900)</u>	<u>-</u>	<u>(69,034)</u>	<u>-</u>	<u>(5,351,545)</u>
<u>(1,216,900)</u>	<u>9,832</u>	<u>(69,034)</u>	<u>25,582</u>	<u>9,641,042</u>
<u>\$ (521,366)</u>	<u>\$ 10,046</u>	<u>\$ (69,034)</u>	<u>\$ 151,197</u>	<u>\$ 16,462,983</u>

City of Alexandria, Minnesota

Capital Projects Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued on Following Pages)
For the Year Ended December 31, 2024

	430	433	437	438	439
	Fire Equipment	Park Development	RCC Equipment	Public Works Equipment	Police Equipment
Revenues					
Taxes	\$ 54,958	\$ 13	\$ 30,059	\$ 214,192	\$ 89,925
Special assessments	-	-	-	-	-
Intergovernmental					
Federal	-	-	-	-	-
State	6	-	3	24	10
Charges for services	106,410	90,880	-	-	-
Investment earnings	24,774	8,190	1,482	5,347	7,640
Other revenue	165	177,071	101	666	300
Total Revenues	<u>186,313</u>	<u>276,154</u>	<u>31,645</u>	<u>220,229</u>	<u>97,875</u>
Expenditures					
Current					
Public works	-	-	-	-	-
Airport	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	41,378	-	-	-	113,293
Public works	-	-	-	2,464	-
Culture and recreation	-	649,637	70,000	58,000	-
Airport	-	-	-	-	-
Debt service					
Principal	118,695	-	7,862	100,054	48,705
Interest and other	43,772	-	2,437	22,674	5,000
Total Expenditures	<u>203,845</u>	<u>649,637</u>	<u>80,299</u>	<u>183,192</u>	<u>166,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,532)</u>	<u>(373,483)</u>	<u>(48,654)</u>	<u>37,037</u>	<u>(69,123)</u>
Other Financing Sources (Uses)					
Sale of capital assets	38,000	-	4,250	-	55,141
Transfers in	-	185,000	-	-	-
Bond premium	-	-	-	-	-
Debt issued	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>38,000</u>	<u>185,000</u>	<u>4,250</u>	<u>-</u>	<u>55,141</u>
Net Change in Fund Balances	20,468	(188,483)	(44,404)	37,037	(13,982)
Fund Balances, January 1	<u>821,701</u>	<u>(398,529)</u>	<u>60,680</u>	<u>29,179</u>	<u>241,478</u>
Fund Balances, December 31	<u>\$ 842,169</u>	<u>\$ (587,012)</u>	<u>\$ 16,276</u>	<u>\$ 66,216</u>	<u>\$ 227,496</u>

440	401	402	404	405	406
IT Equipment	Capital Improvement	Municipal State Aid	Local Street Overlay	2020 Street Reconstruction	Airport Development
\$ 49,854	\$ -	\$ -	\$ 198,849	\$ 1,380	\$ 40,053
-	-	-	-	-	-
-	-	-	-	-	190,973
6	-	1,236,519	356,837	24,116	24,111
-	-	-	-	-	202,113
3,235	-	-	-	-	-
164	44	-	372	-	117
<u>53,259</u>	<u>44</u>	<u>1,236,519</u>	<u>556,058</u>	<u>25,496</u>	<u>457,367</u>
-	-	-	-	-	-
-	-	-	-	-	7,870
2,927	-	-	-	-	-
6,185	2,097	-	-	-	-
985	-	330,198	476,031	-	-
-	-	-	-	-	-
-	-	-	-	-	138,334
-	-	-	-	-	35,256
-	-	-	-	-	-
<u>10,097</u>	<u>2,097</u>	<u>330,198</u>	<u>476,031</u>	<u>-</u>	<u>181,460</u>
43,162	(2,053)	906,321	80,027	25,496	275,907
-	344,559	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(222,587)	-	-	-	-
-	121,972	-	-	-	-
43,162	119,919	906,321	80,027	25,496	275,907
79,730	1,614,571	(3,601,184)	(42,325)	(121,424)	37,796
<u>\$ 122,892</u>	<u>\$ 1,734,490</u>	<u>\$ (2,694,863)</u>	<u>\$ 37,702</u>	<u>\$ (95,928)</u>	<u>\$ 313,703</u>

City of Alexandria, Minnesota
Capital Projects Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended December 31, 2024

	411 44th Ave Extention Project	412 18th Ave Reconstruction Project	414 Revolving Improvement	417 RCC Expansion	419 Nature Trail
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	361,328	-	-
Intergovernmental					
Federal	-	-	-	-	-
State	-	-	-	-	-
Charges for services	-	-	4,106	-	-
Investment earnings	-	-	-	331,256	-
Other revenue	-	-	-	77,442	-
Total Revenues	<u>-</u>	<u>-</u>	<u>365,434</u>	<u>408,698</u>	<u>-</u>
Expenditures					
Current					
Public works	-	269	704	-	-
Airport	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	28,509	-	-	-
Culture and recreation	-	-	-	5,521,187	4,045
Airport	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other	-	-	-	208,961	-
Total Expenditures	<u>-</u>	<u>28,778</u>	<u>704</u>	<u>5,730,148</u>	<u>4,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(28,778)</u>	<u>364,730</u>	<u>(5,321,450)</u>	<u>(4,045)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	111,901	-	-	-
Bond premium	-	-	-	615,725	-
Debt issued	-	-	-	13,500,000	-
Transfers out	-	-	(75,668)	(100,255)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>111,901</u>	<u>(75,668)</u>	<u>14,015,470</u>	<u>-</u>
Net Change in Fund Balances	-	83,123	289,062	8,694,020	(4,045)
Fund Balances, January 1	<u>8,225</u>	<u>(766,886)</u>	<u>2,422,556</u>	<u>182,366</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 8,225</u>	<u>\$ (683,763)</u>	<u>\$ 2,711,618</u>	<u>\$ 8,876,386</u>	<u>\$ (4,045)</u>

420 Nokomis Street Improvement	435 Administration Equipment	418 RCC Expansion Phase 3	450 Child Care Construction Project	Total Capital Projects
\$ -	\$ 20,028	\$ -	\$ -	\$ 699,311
-	-	-	-	361,328
-	-	-	-	190,973
-	2	-	-	1,641,634
-	-	-	-	403,509
-	162	-	-	382,086
-	53	-	-	256,495
-	20,245	-	-	3,935,336
-	-	-	-	973
-	-	-	-	7,870
-	-	-	110,713	113,640
-	-	-	-	162,953
1,119,691	-	-	-	1,957,878
-	-	69,034	-	6,371,903
-	-	-	-	138,334
-	13,354	-	-	323,926
-	2,452	-	-	285,296
1,119,691	15,806	69,034	110,713	9,362,773
(1,119,691)	4,439	(69,034)	(110,713)	(5,427,437)
-	-	-	-	441,950
75,668	-	-	136,295	508,864
-	-	-	-	615,725
-	-	-	-	13,500,000
-	-	-	-	(398,510)
75,668	-	-	136,295	14,668,029
(1,044,023)	4,439	(69,034)	25,582	9,240,592
(172,877)	5,393	-	-	400,450
<u>\$ (1,216,900)</u>	<u>\$ 9,832</u>	<u>\$ (69,034)</u>	<u>\$ 25,582</u>	<u>\$ 9,641,042</u>

City of Alexandria, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2024

	330 G.O. Capital Improvement Bonds of 2010A	331 G.O. Improvement Bonds of 2011A	333 G.O. Improvement Bonds of 2013A	334 G.O. Improvement Bonds of 2014A	335 G.O. Improvement Bonds of 2014B
Assets					
Cash and temporary investments	\$ 656,153	\$ -	\$ -	\$ 464,194	\$ 263,984
Receivables					
Delinquent taxes	4,453	-	-	1,779	1,890
Special assessments	439,095	-	-	62,400	-
Intergovernmental	2,801	-	-	2,368	1,321
	<u>2,801</u>	<u>-</u>	<u>-</u>	<u>2,368</u>	<u>1,321</u>
Total Assets	<u>\$ 1,102,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,741</u>	<u>\$ 267,195</u>
Liabilities					
Accounts payable	\$ 1,481	\$ -	\$ -	\$ -	\$ -
	<u>1,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue - taxes	4,453	-	-	1,779	1,890
Unavailable revenue - special assessments	439,095	-	-	62,400	-
Total Deferred Inflows of Resources	<u>443,548</u>	<u>-</u>	<u>-</u>	<u>64,179</u>	<u>1,890</u>
Fund Balances					
Restricted for debt service	657,473	-	-	466,562	265,305
	<u>657,473</u>	<u>-</u>	<u>-</u>	<u>466,562</u>	<u>265,305</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,102,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,741</u>	<u>\$ 267,195</u>

336	337	339	340	341	
G.O.	G.O.	G.O.	G.O.	G.O.	
Bonds	Refunding	Improvement	Tax Abatement	Tax Abatement	Total
of 2016A	Bonds	Bonds	Bonds	Bonds	
	of 2016B	of 2020A	of 2024A	of 2024B	
\$ 772,585	\$ 145,721	\$ 260,867	\$ 557,336	\$ (700)	\$ 3,120,140
6,104	2,311	1,804	2,810	-	21,151
-	1,145,002	-	-	-	1,646,497
4,568	792	-	2,702	-	14,552
<u>\$ 783,257</u>	<u>\$ 1,293,826</u>	<u>\$ 262,671</u>	<u>\$ 562,848</u>	<u>\$ (700)</u>	<u>\$ 4,802,340</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,481
6,104	2,311	1,804	2,810	-	21,151
-	1,145,002	-	-	-	1,646,497
<u>6,104</u>	<u>1,147,313</u>	<u>1,804</u>	<u>2,810</u>	<u>-</u>	<u>1,667,648</u>
<u>777,153</u>	<u>146,513</u>	<u>260,867</u>	<u>560,038</u>	<u>(700)</u>	<u>3,133,211</u>
<u>\$ 783,257</u>	<u>\$ 1,293,826</u>	<u>\$ 262,671</u>	<u>\$ 562,848</u>	<u>\$ (700)</u>	<u>\$ 4,802,340</u>

City of Alexandria, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2024

	330 G.O. Capital Improvement Bonds of 2010A	331 G.O. Improvement Bonds of 2011A	333 G.O. Improvement Bonds of 2013A	334 G.O. Improvement Bonds of 2014A	335 G.O. Improvement Bonds of 2014B
Revenues					
Property taxes	\$ 301,363	\$ -	\$ 1,725	\$ 133,770	\$ 140,378
Special assessments	1,014	1,154	7,946	63,365	3,673
Intergovernmental					
Federal	39,343	-	-	-	-
State	34	-	-	15	16
Charges for services					
Investment earnings	16,009	156	2,288	11,387	5,921
Other revenue	1,302	-	956	450	310
Total Revenues	<u>359,065</u>	<u>1,310</u>	<u>12,915</u>	<u>208,987</u>	<u>150,298</u>
Expenditures					
Debt service					
Principal	295,000	-	655,000	280,000	150,000
Interest and other	119,350	-	14,425	18,300	20,100
Total Expenditures	<u>414,350</u>	<u>-</u>	<u>669,425</u>	<u>298,300</u>	<u>170,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,285)</u>	<u>1,310</u>	<u>(656,510)</u>	<u>(89,313)</u>	<u>(19,802)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(31,013)	(80,565)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(31,013)</u>	<u>(80,565)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(55,285)	(29,703)	(737,075)	(89,313)	(19,802)
Fund Balances, January 1	<u>712,758</u>	<u>29,703</u>	<u>737,075</u>	<u>555,875</u>	<u>285,107</u>
Fund Balances, December 31	<u>\$ 657,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,562</u>	<u>\$ 265,305</u>

336	337	339	340	341	
G.O.	G.O.	G.O.	G.O.	G.O.	
Bonds	Refunding	Improvement	Tax Abatement	Tax Abatement	
of 2016A	Bonds	Bonds	Bonds	Bonds	Total
	of 2016B	of 2020A	of 2024A	of 2024B	
\$ 503,074	\$ 83,145	\$ 150,393	\$ 292,593	\$ -	\$ 1,606,441
-	18,906	-	-	-	96,058
-	-	-	-	-	39,343
57	9	17	33	-	181
16,219	2,905	3,624	4,183	-	62,692
1,854	27	599	7,096	-	12,594
<u>521,204</u>	<u>104,992</u>	<u>154,633</u>	<u>303,905</u>	<u>-</u>	<u>1,817,309</u>
405,000	70,000	125,000	-	-	1,980,000
124,414	11,250	46,470	700	700	355,709
<u>529,414</u>	<u>81,250</u>	<u>171,470</u>	<u>700</u>	<u>700</u>	<u>2,335,709</u>
(8,210)	23,742	(16,837)	303,205	(700)	(518,400)
-	-	100,000	256,833	-	356,833
-	-	-	-	-	(111,578)
-	-	100,000	256,833	-	245,255
(8,210)	23,742	83,163	560,038	(700)	(273,145)
785,363	122,771	177,704	-	-	3,406,356
<u>\$ 777,153</u>	<u>\$ 146,513</u>	<u>\$ 260,867</u>	<u>\$ 560,038</u>	<u>\$ (700)</u>	<u>\$ 3,133,211</u>

City of Alexandria, Minnesota
Tax Increment Financing Funds
Combining Balance Sheet (Continued on the Following Pages)
December 31, 2024

	235 EDA Development Fund	236 TIF District #12	240 TIF District #17	295 TIF District #25	294 TIF District #26	285 TIF District #37
Assets						
Cash and temporary investments	\$ 462,595	\$ -	\$ 84,985	\$ 63,672	\$ 338,179	\$ -
Receivables						
Accounts	19,015	-	-	-	-	-
Notes, net of allowance	-	-	-	1,100	372,600	-
Total Assets	<u>\$ 481,610</u>	<u>\$ -</u>	<u>\$ 84,985</u>	<u>\$ 64,772</u>	<u>\$ 710,779</u>	<u>\$ -</u>
Liabilities						
Accounts payable	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances						
Restricted for economic development	<u>481,110</u>	<u>-</u>	<u>84,985</u>	<u>64,772</u>	<u>710,779</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 481,610</u>	<u>\$ -</u>	<u>\$ 84,985</u>	<u>\$ 64,772</u>	<u>\$ 710,779</u>	<u>\$ -</u>

City of Alexandria, Minnesota
Tax Increment Financing Funds
Combining Balance Sheet (Continued)
December 31, 2024

	283 TIF District #39	282 TIF District #40	281 TIF District #41	279 TIF District #42	278 TIF District #43	277 TIF District #45	276 TIF District #46	275 TIF District #47
Assets								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 5,714	\$ -	\$ 3,114	\$ -	\$ 124,579
Receivables								
Accounts	-	-	-	-	-	-	-	-
Notes, net of allowance	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ 5,714	\$ -	\$ 3,114	\$ -	\$ 124,579
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,097
Fund Balances								
Restricted for economic development	-	-	-	5,714	-	3,114	-	55,482
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 5,714	\$ -	\$ 3,114	\$ -	\$ 124,579

City of Alexandria, Minnesota
Tax Increment Financing Funds
Combining Balance Sheet (Continued)
December 31, 2024

	274 TIF District #48	272 TIF District #51	271 TIF District #52	270 TIF District #53	269 TIF District #54	268 TIF District #55	265 TIF District #56	267 TIF District #58
Assets								
Cash and temporary investments	\$ 187	\$ -	\$ 193	\$ 167	\$ 485	\$ 230	\$ 25,232	\$ 223
Receivables								
Accounts	-	-	-	-	-	-	-	-
Notes, net of allowance	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 167</u>	<u>\$ 485</u>	<u>\$ 230</u>	<u>\$ 25,232</u>	<u>\$ 223</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances								
Restricted for economic development	187	-	193	167	485	230	25,232	223
Total Liabilities and Fund Balances	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 167</u>	<u>\$ 485</u>	<u>\$ 230</u>	<u>\$ 25,232</u>	<u>\$ 223</u>

City of Alexandria, Minnesota
Tax Increment Financing Funds
Combining Balance Sheet (Continued)
December 31, 2024

	266 TIF District #60	264 TIF District #61	263 TIF District #62	Total
Assets				
Cash and temporary investments	\$ 193	\$ 378	\$ 48,606	\$ 1,158,732
Receivables				
Accounts	-	-	-	19,015
Notes, net of allowance	-	-	-	373,700
Total Assets	<u>\$ 193</u>	<u>\$ 378</u>	<u>\$ 48,606</u>	<u>\$ 1,551,447</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 69,597
Fund Balances				
Restricted for economic development	193	378	48,606	1,481,850
Total Liabilities and Fund Balances	<u>\$ 193</u>	<u>\$ 378</u>	<u>\$ 48,606</u>	<u>\$ 1,551,447</u>

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City of Alexandria, Minnesota
Tax Increment Financing Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued on Following Pages)
For the Year Ended December 31, 2024

	235 EDA Development Fund	236 TIF District #12	240 TIF District #17	295 TIF District #25	294 TIF District #26	285 TIF District #37
Revenues						
Tax increments	\$ -	\$ -	\$ 78,267	\$ 18,806	\$ 199,271	\$ 22,079
Other taxes	114,608	-	-	-	-	-
Charges for services	130,750	-	-	-	-	-
Investment earnings	19,467	-	2,952	1,647	10,492	-
Miscellaneous						
Other	205	-	-	-	-	-
Total Revenues	<u>265,030</u>	<u>-</u>	<u>81,219</u>	<u>20,453</u>	<u>209,763</u>	<u>22,079</u>
Expenditures						
Current						
Economic development	<u>67,445</u>	<u>8,393</u>	<u>81,527</u>	<u>293</u>	<u>49,934</u>	<u>73,936</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	197,585	(8,393)	(308)	20,160	159,829	(51,857)
Other Financing Sources (Uses)						
Transfers Out	<u>(36,295)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	161,290	(8,393)	(308)	20,160	159,829	(51,857)
Fund Balances, January 1	<u>319,820</u>	<u>8,393</u>	<u>85,293</u>	<u>44,612</u>	<u>550,950</u>	<u>51,857</u>
Fund Balances, December 31	<u>\$ 481,110</u>	<u>\$ -</u>	<u>\$ 84,985</u>	<u>\$ 64,772</u>	<u>\$ 710,779</u>	<u>\$ -</u>

City of Alexandria, Minnesota
Tax Increment Financing Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended December 31, 2024

	283 TIF District #39	282 TIF District #40	281 TIF District #41	279 TIF District #42	278 TIF District #43	277 TIF District #45	276 TIF District #46	275 TIF District #47	274 TIF District #48	272 TIF District #51
Revenues										
Tax increments	\$ 15,788	\$ -	\$ -	\$ 212,760	\$ 72,078	\$ 11,370	\$ -	\$ 153,550	\$ 22,251	\$ 91,914
Other taxes	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	737	-	138	-	4,641	63	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Refunds and reimbursements	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>15,788</u>	<u>-</u>	<u>-</u>	<u>213,497</u>	<u>72,078</u>	<u>11,508</u>	<u>-</u>	<u>158,191</u>	<u>22,314</u>	<u>91,914</u>
Expenditures										
Current										
Economic development	56,430	24,338	230,728	212,760	88,988	12,233	30,477	153,550	22,251	91,914
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(40,642)	(24,338)	(230,728)	737	(16,910)	(725)	(30,477)	4,641	63	-
Other Financing Sources (Uses)										
Transfers out	-	-	-	-	-	-	-	(68,659)	-	-
Net Change In Fund Balances	(40,642)	(24,338)	(230,728)	737	(16,910)	(725)	(30,477)	(64,018)	63	-
Fund Balances, January 1	40,642	24,338	230,728	4,977	16,910	3,839	30,477	119,500	124	-
Fund Balances, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,714</u>	<u>\$ -</u>	<u>\$ 3,114</u>	<u>\$ -</u>	<u>\$ 55,482</u>	<u>\$ 187</u>	<u>\$ -</u>

271 TIF District #52	270 TIF District #53	269 TIF District #54	268 TIF District #55	265 TIF District #56	267 TIF District #58	266 TIF District #60	264 TIF District #61	263 TIF District #62	Total
\$ 28,360	\$ 24,483	\$ 98,840	\$ 46,877	\$ 24,913	\$ 45,539	\$ 41,832	\$ 141,502	\$ 53,688	\$ 1,404,168
-	-	-	-	-	-	-	-	-	114,608
-	-	-	-	-	-	-	-	-	130,750
79	67	272	129	319	125	115	378	287	41,908
-	-	-	-	-	-	-	-	-	205
<u>28,439</u>	<u>24,550</u>	<u>99,112</u>	<u>47,006</u>	<u>25,232</u>	<u>45,664</u>	<u>41,947</u>	<u>141,880</u>	<u>53,975</u>	<u>1,691,639</u>
<u>28,360</u>	<u>24,482</u>	<u>98,840</u>	<u>46,877</u>	<u>-</u>	<u>45,539</u>	<u>41,832</u>	<u>141,502</u>	<u>5,369</u>	<u>1,637,998</u>
79	68	272	129	25,232	125	115	378	48,606	53,641
-	-	-	-	-	-	-	-	-	(104,954)
79	68	272	129	25,232	125	115	378	48,606	(51,313)
114	99	213	101	-	98	78	-	-	1,533,163
<u>\$ 193</u>	<u>\$ 167</u>	<u>\$ 485</u>	<u>\$ 230</u>	<u>\$ 25,232</u>	<u>\$ 223</u>	<u>\$ 193</u>	<u>\$ 378</u>	<u>\$ 48,606</u>	<u>\$ 1,481,850</u>

City of Alexandria, Minnesota
 Summary Financial Report
 Revenues and Expenditures for General Operations
 Governmental Funds
 For the Years Ended December 31, 2024 and 2023

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Taxes	\$ 11,737,985	\$ 10,875,332	7.93 %
Payment in lieu of taxes	1,029,351	1,006,671	2.25
Special assessments	459,698	585,760	(21.52)
Licenses and permits	1,037,287	943,626	9.93
Intergovernmental	4,601,430	6,289,463	(26.84)
Charges for services	1,639,162	1,562,819	4.88
Fines and forfeits	100,244	91,273	9.83
Investment earnings (loss)	992,591	545,784	81.87
Miscellaneous	376,005	597,018	(37.02)
Total Revenues	<u>\$ 21,973,753</u>	<u>\$ 22,497,746</u>	(2.33) %
Per Capita	\$ 1,465	\$ 1,474	(0.62) %
Expenditures			
Current			
General government	\$ 3,127,774	\$ 3,223,415	(2.97) %
Public safety	5,471,977	5,015,020	9.11
Public works	2,539,868	2,585,511	(1.77)
Culture and recreation	1,752,857	1,694,458	3.45
Economic development	2,107,697	2,005,518	5.09
Miscellaneous	232,678	272,714	(14.68)
Capital outlay			
General government	123,754	37,053	233.99
Public safety	267,787	753,842	(64.48)
Public works	1,957,878	4,456,653	(56.07)
Culture and recreation	6,377,348	1,023,921	522.84
Miscellaneous	152,134	164,127	(7.31)
Debt service			
Principal	2,303,926	2,202,016	4.63
Interest and other charges	641,005	490,533	30.68
Total Expenditures	<u>\$ 27,056,683</u>	<u>\$ 23,924,781</u>	13.09 %
Per Capita	\$ 1,804	\$ 1,568	15.07 %
Total Long-term Indebtedness	\$ 27,370,906	\$ 16,174,832	69.22 %
Per Capita	1,825	1,060	72.19
General Fund Balance - December 31	\$ 8,144,106	\$ 7,214,579	12.88 %
Per Capita	543	473	14.86

The purpose of this report is to provide a summary of financial information concerning the City of Alexandria to interested citizens. The complete financial statements may be examined at City Hall, 704 Broadway, Alexandria, MN, 56308. Questions about this report should be directed to the Finance Director at (320) 763-6678.

OTHER REQUIRED REPORTS

CITY OF ALEXANDRIA
ALEXANDRIA, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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**INDEPENDENT AUDITOR'S REPORT ON
MINNESOTA LEGAL COMPLIANCE**

Honorable Mayor and City Council
City of Alexandria, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Alexandria, (the City) Minnesota as of and for the year ended December 31, 2024, and the related notes to the financial statements which collectively compromise the City's basic financial statements, and have issued our report thereon dated June 10, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Mankato, Minnesota
June 10, 2025

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council
City of Alexandria, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Alexandria, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 10, 2025.

The City's basic financial statements include the operations of Alexandria Light and Power for the year ended December 31, 2024. Our audit, described below, did not include the operations of Alexandria Light and Power because it engaged for its own separate audit in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Mankato, Minnesota
June 10, 2025

