

City of Minnetonka Beach
Finance Committee

Chris Zinn (Treasurer) Chair
Brian Call
Jim Dudley
Tom Emmel
Jaime Gmach
Liz Nordlie
John Woerner

Council Liaison – Chris Zinn
Staff: City Administrator Heidi Honey

Meeting Agenda – Finance Committee
Tuesday, March 25, 2025 – 5:00 PM
City Hall

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes – August 21, 2024
4. New Business – Council Directive to Review City Finances and Determine Plan to Fund Future Infrastructure Projects
 - 4.1. Budget/CIP/Audit
 - 4.2. Debt Service
 - 4.3. Utilities Infrastructure Project List and Map
 - 4.4. FMP/Utility Rate Study/Tax Impact Chart
5. Old Business
 - 5.1. Water Treatment Plant Cost Update
6. Adjourn

Minutes

**City of the Village of Minnetonka Beach
Finance Committee Meeting Minutes
Wednesday, August 21, 2024 - 5:30 PM**

1. Call to Order

Chair Zinn called the meeting to order at 5:30 p.m.

Members Present: Chair Chris Zinn, Jim Dudley, Jaime Gmach, Liz Nordlie, and John Woerner

Absent: Brian Call

City Staff: City Administrator Heidi Honey

2. Approval of Agenda

(Nordlie motion, Woerner second to approve the agenda; all ayes.) Motion passed.

3. Approval of Minutes – August 29, 2023

(Woerner motion, Gmach second to approve the minutes; all ayes.) Motion passed.

4. New Business –

4.1. 2025 Proposed Fee Schedule

Zinn discussed the water treatment plant costs and how the city will pay the bond payments with a water treatment plant fee, increased water rates, and tax levy. Ehler's, the City's municipal advisor, did a utility rate study with tiered increases but the city is proposing increasing the water treatment plant fee to \$335 per quarter. The legislature did not pass a bonding bill and the city did not receive any funding. Zinn stated there are many infrastructure projects needing to be done and the city needs to budget to build reserves. He then explained that each fund should pay for its expenses. Committee members agreed that this approach is good for the city to raise rates and build for the future. Every dollar the city charges residents goes right back to them and benefits them directly. In most other communities, money goes to things that not everyone uses.

(Gmach motion, Woerner second to recommend city council approve the proposed 2025 Fee Schedule as presented; all ayes.) Motion passed.

4.2. 2025 – 2034 Proposed Capital Improvement Program (CIP)

Zinn explained that there are many needs in the City stating it will consistently spend money on maintenance of the roads annually. It is very expensive but important. Public works has developed plans to replace equipment on a schedule. Woerner asked about the sign request. Honey explained that there was a request to beautify the message board located on Shoreline Dr., but it may be on county property. She will find out if a permanent sign could be installed and also start looking for a new sign to find out the cost.

(Worner motion, Nordlie second to recommend City Council approve the 2025 CIP as presented; all ayes.) Motion passed.

4.3. 2025 Proposed Budget and Tax Levy

Zinn explained that the budget is broken into four funds: General Fund which is tax levy, Water Fund paid by water revenue, Sewer Fund paid by sewer revenue, and Stormwater Utility paid by stormwater revenue. There are many fixed costs in the budget.

Zinn asked how the committee thought the City should plan for reserves. Woerner talked about taking a break from large tax levy increases. The committee agreed to increase the budget to \$100,000 in reserves annually. Zinn asked the committee if there are any members who be willing to look into potential grants for future projects. Gmach will talk with a coworker who has experience with grants and report back.

(Gmach motion, Dudley second to recommend that Council to increase reserves in the budget to \$100,000 and to recommend Council approve the 2025 preliminary budget as amended; all ayes.)

Motion passed.

5. Old Business

5.1. Water Treatment Plant Cost Update

Committee members commented on the Mayor's letter to residents regarding the plant stating that it was very well done and very informative.

6. Adjourn

(Nordlie motion, Gmach second to adjourn; all ayes.) Motion passed.

Finance Committee meeting adjourned at 6:54 p.m.

Minutes taken by Heidi Honey, City Administrator

Others Present: none

New Business

Budget/CIP/Audit

**2025 Final Budget and Tax Levy - Adopted 12/9/2024
(Preliminary Adopted 9/9/2024)**

						2023	2024	2025	2025	PCT	\$ Amount
						Actual	Final	Preliminary	Final	Change	Change
							Adopted		Adopted	from 2024	From 2024
Revenues											
1000 - TAXES											
		1010 - General Property Tax				971,539.49	1,123,330.43	1,190,068.00	1,190,068.00	5.9%	66,737.57
		1011 - Fiscal Disparities				2,614.08	3,000.00	3,000.00	3,000.00	0.0%	0.00
		1014 - Fiscal Disparities Debt Serv				631.69	500.00	500.00	500.00	0.0%	0.00
		1020 - Special Assessment				0.00					0.00
		1030 - Bond & Interest				234,945.63	270,540.00	260,875.00	260,875.00	-3.6%	-9,665.00
Total 1000 - TAXES						1,209,730.89	1,397,370.43	1,454,443.00	1,454,443.00	4.1%	57,072.57
1100 - LICENSES & PERMITS											
1110 - Business											
		1115 - Liquor Licenses				1,200.00	1,200.00	1,200.00	1,200.00	0.0%	0.00
		1110 - Business - Other				0.00	0.00				0.00
		Total 1110 - Business				1,200.00	1,200.00	1,200.00	1,200.00	0.0%	0.00
1120 - Non-Business											
		1125 - Dock Permits				30,640.00	38,440.00	39,000.00	39,000.00	1.5%	560.00
		1130 - Dog & Cat Licenses				161.00	100.00	100.00	100.00	0.0%	0.00
		1140 - Bldg/Plbg/Mech/Variances				72,698.00	60,000.00	60,000.00	60,000.00	0.0%	0.00
		1150 - Leaf Pick-Up				17,881.24	19,400.00	19,150.00	19,150.00	-1.3%	-250.00
		1160 - Tree Removal Permit				900.00	400.00	400.00	400.00	0.0%	0.00
		1170 - Tree Vendor License				850.00	400.00	400.00	400.00		
		1120 - Other Non-Business									
		Total 1120 - Non-Business				123,130.24	118,740.00	119,050.00	119,050.00	0.3%	310.00
1100 - LICENSES & PERMITS											
Total 1100 - LICENSES & PERMITS						123,130.24	119,940.00	120,250.00	120,250.00	0.3%	310.00
1200 - INTERGOVERNMENTAL REVENUE											
1203 - Federal Grants											
		1260 - Road Aid				3,839.00	1,700.00	1,700.00	1,700.00	0.0%	0.00
		1270 - Recycling/Organics				4,261.52	4,000.00	4,000.00	4,000.00	0.0%	0.00
		1280 - Other-Sports Grant				23,937.00				0.0%	0.00
		1250 - Hennepin County Grants - Other				15,860.01				0.0%	-15,860.01
		Total 1250 - Hennepin County Grants				47,897.53	5,700.00	5,700.00	5,700.00	0.0%	0.00
1200 - INTERGOVERNMENTAL REVENUE - Other											
Total 1200 - INTERGOVERNMENTAL REVENUE						47,897.53	5,700.00	5,700.00	5,700.00	0.0%	0.00
1300 - CHARGES FOR SERVICES											
1310 - General Government											
		1320 - U.S. Post Office				5,000.04	5,000.00	5,000.00	5,000.00	0.0%	0.00
		1310 - General Government - Other				0.00	0.00	0.00	0.00		0.00

**2025 Final Budget and Tax Levy - Adopted 12/9/2024
(Preliminary Adopted 9/9/2024)**

							Actual	Final Adopted	Preliminary	Final Adopted	Change from 2024	Change From 2024	
							5,000.04	5,000.00	5,000.00	5,000.00	0.0%	0.00	
			Total 1310 · General Government										
			1330 · Garbage, Recycle, Refuse										
							59,721.75	60,756.49	62,933.48	62,933.48	3.6%	2,176.99	
							15,640.15	15,935.40	16,493.82	16,493.82	3.5%	558.42	
			Total 1330 · Garbage, Recycle, Refuse					75,361.90	76,691.89	79,427.30	79,427.30	3.6%	2,735.41
							8,570.40	3,000.00	3,000.00	3,000.00	0.0%	0.00	
			Total 1300 · CHARGES FOR SERVICES					88,932.34	84,691.89	87,427.30	87,427.30	3.2%	2,735.41
			1400 · MISCELLANEOUS RECEIPTS										
			1460 - Misc Income Fees and Taxes										
							1,012.63	1,050.00	1,750.00	1,750.00	66.7%	700.00	
							5,869.80	6,531.00	6,765.35	6,765.35	3.6%	234.35	
			Total 1460 - Misc Income Fees and Taxes					6,882.43	7,581.00	8,515.35	8,515.35	12.3%	934.35
							65,711.33	35,000.00	60,000.00	60,000.00	71.4%	25,000.00	
							6,947.24	0.00	0.00	0.00		0.00	
							98,264.59	0.00	0.00	0.00		0.00	
							2,072.90	500.00	500.00	500.00		0.00	
			Total 1420 · All Other-					100,337.49	500.00	500.00	500.00		0.00
			Total 1400 · MISCELLANEOUS RECEIPTS					172,931.25	43,081.00	69,015.35	69,015.35	60.2%	25,934.35
			Total Revenues					1,642,622.25	1,650,783.32	1,736,835.65	1,736,835.65	5.2%	86,052.33
			Expenditures										
			2900 · CAPITAL PROJECT FUNDS (NOT WATER OR SEWER)										
			2901 · 2002 Public Works Projects										
							0.00	0.00	0.00	0.00	#DIV/0!	0.00	
							75,624.33	208,700.00	214,700.00	214,700.00	2.9%	6,000.00	
			Total 2901 · 2002 Public Works Projects					75,624.33	208,700.00	214,700.00	214,700.00	2.9%	6,000.00
			2900 · CAPITAL PROJECT FUNDS - Other					0.00	0.00	0.00	0.00		0.00
			Total 2900 · CAPITAL PROJECT FUNDS					75,624.33	208,700.00	214,700.00	214,700.00	2.9%	6,000.00
			2800 · DEBT SERVICE FUNDS										
			· GO Bonds, Series 2019A										
							90,000.00	95,000.00	95,000.00	95,000.00	0.0%	0.00	
							70,600.00	66,900.00	63,100.00	63,100.00			
			· GO Bonds, Series 2021A										
							80,000.00	80,000.00	85,000.00	85,000.00	6.3%	5,000.00	
							23,160.00	20,640.00	17,775.00	17,775.00			
							950.00	1,200.00	1,200.00	1,200.00	0.0%	0.00	

**2025 Final Budget and Tax Levy - Adopted 12/9/2024
(Preliminary Adopted 9/9/2024)**

							Actual	Final Adopted	Preliminary	Final Adopted	Change from 2024	Change From 2024
							58,680.00	61,614.00	63,462.00	63,462.00	3.0%	1,848.00
							0.00	0.00		0.00		0.00
							0.00	0.00		0.00		0.00
							58,680.00	61,614.00	63,462.00	63,462.00	3.0%	1,848.00
							32,218.99	36,000.00	36,000.00	36,000.00	0.0%	0.00
							4,806.93	2,400.00	5,400.00	5,400.00	125.0%	3,000.00
							0.00	100.00	0.00	0.00	-100.0%	-100.00
							0.00	200.00	0.00	0.00		
							0.00	300.00	300.00	300.00	0.0%	0.00
							0.00	0.00	0.00	0.00		0.00
							37,025.92	39,000.00	41,700.00	41,700.00	6.9%	2,700.00
							257,521.00	267,284.00	276,832.10	276,832.10	3.6%	9,548.10
							69,986.67	77,139.66	79,762.41	79,762.41	3.4%	2,622.75
							7,259.55	9,300.00	11,000.00	11,000.00	18.3%	1,700.00
							19,742.10	24,397.45	26,954.68	26,954.68	10.5%	2,557.23
							3,294.00	11,000.00	20,000.00	20,000.00	81.8%	9,000.00
							4,254.58	6,000.00	6,000.00	6,000.00	0.0%	0.00
							9,098.06	12,500.00	12,500.00	12,500.00	0.0%	0.00
							1,498.19	1,800.00	1,800.00	1,800.00	0.0%	0.00
							3,677.73	4,000.00	4,000.00	4,000.00	0.0%	0.00
							10,095.08	7,450.00	8,450.00	8,450.00	13.4%	1,000.00
							5,766.18	6,000.00	7,000.00	7,000.00	16.7%	1,000.00
							0.00	500.00	500.00	500.00	0.0%	0.00
							844.51	1,000.00	5,000.00	5,000.00	400.0%	4,000.00
							3,034.94	3,500.00	4,000.00	4,000.00	14.3%	500.00
							290.58	600.00	600.00	600.00	0.0%	0.00
							342.95	500.00	500.00	500.00	0.0%	0.00
							0.00	0.00	0.00	0.00		0.00
							3,001.19	4,000.00	5,000.00	5,000.00	25.0%	1,000.00
							647.79	600.00	1,200.00	1,200.00	100.0%	600.00
							0.00	0.00	0.00	0.00		0.00
							0.00	2,500.00	6,500.00	15,000.00	500.0%	12,500.00
							452.04	2,500.00	2,500.00	2,500.00	0.0%	0.00
							10,104.47	11,000.00	11,000.00	11,000.00	0.0%	0.00
							2,119.99	19,400.00	19,400.00	19,400.00	0.0%	0.00
							58,522.28	94,850.00	115,950.00	124,450.00	31.2%	29,600.00
							155,510.60	205,687.11	233,667.09	242,167.09	17.7%	36,479.98

**2025 Final Budget and Tax Levy - Adopted 12/9/2024
(Preliminary Adopted 9/9/2024)**

		Actual	Final Adopted	Preliminary	Final Adopted	Change from 2024	Change From 2024
Total 2300 - STREETS & HIGHWAYS		155,510.60	205,687.11	233,667.09	242,167.09	17.7%	36,479.98
2400 - REFUSE & WASTE REMOVAL							
	2410 - Rubbish Removal	60,112.16	60,756.49	62,933.48	62,933.48	3.6%	2,176.99
	2411 - Solid Waste Management Tax	5,770.00	6,531.00	6,765.35	6,765.35	3.6%	234.35
	2420 - Recycling/Organics	15,733.61	15,935.40	16,493.82	16,493.82	3.5%	558.42
	2430 - Organic Recycling	0.00	1,500.00	1,500.00	1,500.00		
	2400 - REFUSE & WASTE REMOVAL - Other	0.00	0.00	0.00	0.00		0.00
Total 2400 - REFUSE & WASTE REMOVAL		81,615.77	84,722.89	87,692.65	87,692.65	3.5%	2,969.76
2500 - CULTURE & RECREATION							
	2510 - Parks & Recreation						
	2520 - Current Expenditures						
	2524 - Tree and Forest Maintenance	7,732.24	17,750.00	9,000.00	500.00	-97.2%	-17,250.00
	2525 - General Maintenance	8,290.89	7,300.00	8,900.00	8,900.00	21.9%	1,600.00
	2526 - Half Moon Park	800.00	400.00	0.00	0.00		-400.00
	2527 - Ray Peters Park	5,072.86	3,600.00	3,350.00	3,350.00	-6.9%	-250.00
	2528 - Beach	7,735.46	9,300.00	9,550.00	9,550.00	2.7%	250.00
	2529 - City Hall Playground/Park	1,000.00	400.00	4,000.00	4,000.00		3,600.00
	Total 2520 - Parks and Rec	30,631.45	38,750.00	34,800.00	26,300.00	-32.1%	-12,450.00
	2530 - LMCD						
	2531-LMCD Levy	4,708.00	4,710.00	4,710.00	4,710.00	0.0%	0.00
	2532-App Fees	1,152.50	1,500.00	1,500.00	1,500.00	0.0%	0.00
	2533-Dock Supplies	467.25	750.00	750.00	750.00	0.0%	0.00
	2534-Other	0.00	0.00		0.00		0.00
	Total 2530 LMCD	6,327.75	6,960.00	6,960.00	6,960.00	0.0%	0.00
	2540 - Community Education	0.00	0.00	0.00	0.00	#DIV/0!	0.00
Total 2500 - CULTURE & RECREATION		36,959.20	45,710.00	41,760.00	33,260.00	-27.2%	-12,450.00
2600 - MISCELLANEOUS EXPENDITURE							
	2610 - Insurance	27,109.00	28,980.00	32,500.00	32,500.00	12.1%	3,520.00
	2630 - Other Miscellaneous Exp	0.00	0.00		0.00		0.00
Total 2600 - MISCELLANEOUS EXPENDITURE		27,109.00	28,980.00	32,500.00	32,500.00	12.1%	3,520.00
Total Expenditures		1,311,091.12	1,570,783.32	1,636,835.31	1,636,835.31	4.2%	66,051.99
Difference between Revenue and Expense		331,531.13	80,000.00	100,000.34	100,000.34		
Note - \$8,500 was moved from Park Commission 2524 to Public Works 2358							

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2025 Final Budget and Tax Levy
Preliminary Adopted 9/9/2024
Final Adopted 12/9/2024

						2023	2024	2025	2025	PCT	\$ Amount
						Actual	Final	Preliminary	Final	Change	Change
									Adopted	from 2024	From 2024
Revenues											
1500 - OTHER FINANCING SOURCES											
						92,631.22	111,497.67	124,662.50	124,662.50	11.8%	13,164.83
						0.00	200.00	0.00	0.00	-100.0%	-200.00
						0.00	0.00	0.00	0.00	0.0%	0.00
						92,631.22	129,997.67	124,662.50	124,662.50	-4.1%	-5,335.17
						92,631.22	129,997.67	124,662.50	124,662.50	-4.1%	-5,335.17
1400 - MISCELLANEOUS RECEIPTS											
						1,267.00	0.00	0.00	0.00	0.0%	0.00
						1,267.00	0.00	0.00	0.00	0.0%	0.00
						1,267.00	0.00	0.00	0.00		0.00
Total Revenues						93,898.22	129,997.67	124,662.50	124,662.50		-5,335.17
Expenditures											
2900 - CAPITAL PROJECT FUNDS											
						0.00	25,000.00	15,008.00	15,008.00		-9,992.00
						0.00	25,000.00	15,008.00	15,008.00		-9,992.00
2800 - DEBT SERVICE FUNDS											
						0.00	0.00	0.00	0.00		0.00
						0.00	0.00	0.00	0.00		0.00
						0.00	0.00	0.00	0.00		0.00
						0.00	0.00	0.00	0.00		0.00
2700 - OTHER FINANCING USES											
						3,715.75	4,821.23	4,985.15	4,985.15	3.4%	163.92
						3,960.98	5,138.07	5,312.76	5,312.76	3.4%	174.69

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2025 Final Budget and Tax Levy
Preliminary Adopted 9/9/2024
Final Adopted 12/9/2024

							2023	2024	2025	2025	PCT	\$ Amount
							Actual	Final	Preliminary	Final	Change	Change
										Adopted	from 2024	From 2024
							2,122.22	2,648.32	3,158.39	3,158.39	19.3%	510.07
							0.00	350.00	0.00	0.00		-350.00
							54,459.62	53,541.00	58,718.00	58,718.00	9.7%	5,177.00
							0.00	0.00	0.00	0.00		0.00
							19,157.20	2,000.00	2,000.00	2,000.00	0.0%	0.00
							2,091.59	5,000.00	7,000.00	7,000.00	40.0%	2,000.00
							0.00	15,000.00	30,000.00	30,000.00	100.0%	15,000.00
							85,507.36	99,107.44	111,174.30	111,174.30	12.2%	12,066.86
							85,507.36	99,107.44	111,174.30	111,174.30	12.2%	12,066.86
							85,507.36	124,107.44	126,182.30	126,182.30	1.7%	2,074.86
							8,390.86	5,890.23	-1,519.80	-1,519.80		-7,410.03

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2025 Final Budget and Tax Levy
Preliminary Adopted 9/9/2024
Final Adopted 12/9/2024

						2023	2024	2025	2025	PCT	\$ Amount	
						Actual	Final	Preliminary	Final	Change	Change	
									Adopted	from 2024	From 2024	
Revenues												
1500 - OTHER FINANCING SOURCES												
	1510 - Enterprise Fund Transfers											
		1531 - Stormwater Utility				18,584.53	18,500.00	18,500.00	18,500.00	0.0%	0.00	
		1510 - Enterprise Fund Transfers - Other				0.00	0.00	0.00	0.00	0.0%	0.00	
		Total 1510 - Enterprise Fund Transfers				18,584.53	18,500.00	18,500.00	18,500.00	0.0%	0.00	
	Total 1500 - OTHER FINANCING SOURCES					18,584.53	18,500.00	18,500.00	18,500.00	0.0%	0.00	
1400 - MISCELLANEOUS RECEIPTS												
	1460 - Misc Income Fees and Taxes											
		TBD				1,267.00	0.00	0.00	0.00	0.0%	0.00	
		Total 1460 - Misc Income Fees and Taxes				1,267.00	0.00	0.00	0.00	0.0%	0.00	
	Total 1400 - MISCELLANEOUS RECEIPTS					1,267.00	0.00	0.00	0.00		0.00	
Total Revenues						19,851.53	18,500.00	18,500.00	18,500.00		0.00	
Expenditures												
2900 - CAPITAL PROJECT FUNDS												
	TBD - Sewer Utility Infrastructure											
		TBD - Annual CIP Items				0.00	0.00	0.00	0.00		0.00	
		TBD				0.00	0.00	0.00	0.00		0.00	
	Total 2900 - CAPITAL PROJECT FUNDS					0.00	0.00	0.00	0.00		0.00	
2800 - DEBT SERVICE FUNDS												
	Total 2801 - GO Bonds					0.00	0.00	0.00	0.00		0.00	
	2800 - DEBT SERVICE FUNDS - Other-issuance costs					0.00	0.00	0.00	0.00		0.00	
	Total 2800 - DEBT SERVICE FUNDS					0.00	0.00	0.00	0.00		0.00	
2700 - OTHER FINANCING USES												
	2710 - Enterprise Fund Transfers											
		2730 - Sewer										
			2740 Storm Sewer Repairs			9,200.00	12,000.00	12,000.00	12,000.00	0.0%	0.00	
			2741 Storm Sewer Engineering			0.00	0.00	0.00	0.00		0.00	
		Total 2730 - Sewer				9,200.00	12,000.00	12,000.00	12,000.00	0.0%	0.00	
	Total 2700 - OTHER FINANCING USES					9,200.00	12,000.00	12,000.00	12,000.00	0.0%	0.00	

17 of 401
2025 Final Budget and Tax Levy
Preliminary Adopted 9/9/2024
Final Adopted 12/9/2024

							2023	2024	2025	2025	PCT	\$ Amount
							Actual	Final	Preliminary	Final	Change	Change
										Adopted	from 2024	From 2024
Total Expenditures							9,200.00	12,000.00	12,000.00	12,000.00	0.0%	0.00
Difference between Revenue and Expense							10,651.53	6,500.00	6,500.00	6,500.00		0.00

Item Number	Capital Improvement Program:	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Potential Funding Source	Recommended or Supported By	Comments/Explanation
	General Fund														
1	Tree Treatment and Ash Management		\$7,200		\$7,200		\$7,200		\$7,200		\$7,200		Tax Levy	Park Commission/PW	Treatment for invasives EAB, Oak Wilt, and replacement due to EAB loss
2	Library Roof Replacement			\$4,000									Tax levy	Parks	Combine with warming house and city hall roof replacement
3	Sign at LRHOA				\$6,000								Tax Levy	Park Commission	
4	Replace 5 Picnic Tables					\$6,500							Tax levy	Parks	refurbished 2022
5	Ray Peters warming house roof			\$4,000									Tax levy	Parks	Combine with warming house and city hall roof replacement
6	East and West Entrance signs			\$3,000									Tax Levy	Park Commission	Beginning to rust, moved to 2026 to assess
7	Rip Rap Repair	\$30,000											Tax Levy	Park Commission	Total \$35,750. \$5,750 in CIP reserves from 2023.
8	Restore the Shore			\$5,000		\$5,000		\$5,000					GRANT	Park Commission	Restoring shore areas near fire lanes and access areas. Need details and research grants.
9	Replace Skateboard Ramps				\$7,000								Tax levy or grant	Parks	removed by Parks, 2024
10	Replace City Hall Roof			\$12,000									Tax levy	Staff	Roof was installed 2004 with 30 year architectural roof material
11	City Hall Maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500			Tax Levy	Staff	Update flooring in bathroom and kitchen or reconfigure work space. Blinds.
12	Northview Wall West - Replacement	\$84,000											Tax Levy	Council	
13	Road Repair/Pavement /Seal Coat Citywide	\$75,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	Tax Levy	Council	Citywide construction has compromised our past seal coat. Regular seal coat will maintain roads. Increased costs.
14	Mower and bagger			\$6,000									Tax Levy	PW, supported by Finance Cmte	Replace and trade in on 3 yr cycle. Cost increased from 2023
15	3/4 Ton Pick Up with V Plow					\$30,000							Tax levy/grant	Council	should be replaced per schedule (7 yr) to avoid interrupted services
16	Replace F550 Plow and Salt Sander		\$100,000										Tax Levy	Public Works	\$70,000 approved in '23, cost increase to \$100,000, replace every 10 yr
17	Flag Pole at City Hall	\$3,000											Tax Levy	Public Works/Staff	
18	Snow bucket	\$2,500											Tax Levy	Public Works	
19	City Hall Sidewalk - side, install pop up drain, stucco repair	\$5,700											Tax Levy	Public Works/Staff	
20	Light Pole - Ray Peters Park	\$6,000											Tax Levy	Public Works/Staff	Pole is in poor shape. Includes electric
21	Upgrade to current message board with posts, frame or flowers around.		\$5,000										Tax Levy	Civic	The sign is delapidated in appearance. Suggested it be replaced by tasteful one that echos look of welcome sign. Increased cost to \$5K
	SUB-TOTAL	\$208,700	\$214,700	\$136,500	\$122,700	\$144,000	\$109,700	\$107,500	\$109,700	\$102,500	\$107,200	\$100,000			
	Water Fund														
22	Water Plant Improvements (2020 estimated \$91,300)			\$44,400									Bond funds/levy	PW, supported by Utilities Comm, Council	
23	Iron filter media replacement												Bond/levy	Council	need to build new plant. Moved as placeholder to 2025
24	Water Hydrant Replacements City Wide - \$17,000 each, stagger years	\$17,000		\$20,000		\$20,000		\$20,000		\$20,000			Tax Levy	Council, Public Works	some are dated 1930. cost increase from \$10,000 to \$17,000 to \$20,000.
	SUB-TOTAL	\$17,000	\$0	\$64,400	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$0			
	Sewer Fund														
25	Study Force Main System to determine replacement or lining needs	\$10,000											Tax levy/sewer budget	Public Works and Utilities Cmsn	Force mains are very old and should be replaced if needed. A 2022 emergency repair in small section cost the city over \$45,000
26	Woodbridge/Lafayette water problem solution	\$5,000											Tax levy/sewer budget	Public Works and Utilities Cmsn	Utilities work with experts on solutions to damage to roads cause by water runoff and trucks turning left.
27	Lift Station #3 - new pump		\$9,688										Tax levy/sewer budget	Public Works	Per inspection report from may 2024
28	Lift Station #2 - replace 2 check valves		\$5,320										Tax levy/sewer budget	Public Works per inspection report	Per inspection report from may 2024
29	Lift Station #3 - Wetwell Rehabilitation			\$16,400									Tax levy/sewer budget	Public Works per inspection report	Per inspection report from may 2024
30	Lift Station #2 - Replace guide pipes				\$2,650								Tax levy/sewer budget	Public Works per inspection report	Per inspection report from may 2024
31	Lift Station #4 - guide rails				\$3,650								Tax levy/sewer budget	Public Works per inspection report	Per inspection report from may 2024
	SUB-TOTAL	\$15,000	\$15,008	\$16,400	\$6,300	\$0	\$0					\$0			

ANNUAL FINANCIAL REPORT

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of the Village of Minnetonka Beach, Minnesota
Annual Financial Report
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For the Year Ended December 31, 2024

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INTRODUCTORY SECTION
CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of the Village of Minnetonka Beach, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2024

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joe Pagano	Mayor	12/31/26
Tracey Breazeale	Council Member	12/31/24
Chris Dovolis	Council Member	12/31/26
Jennifer Halverson	Council Member	12/31/26
Jason Mohr	Council Member	12/31/28
Chris Zinn	Treasurer	12/31/26

APPOINTED OFFICIALS

Heidi Honey	City Administrator
Jane Burgess	City Clerk

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FINANCIAL SECTION
CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of the Village of Minnetonka Beach, Minnesota

Opinions

We have audited the accompanying financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of the Village of Minnetonka Beach, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements of the governmental funds referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the City, as of December 31, 2024, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions the Minnesota Office of the State Auditor as described in Note 1B. Also, in our opinion, the financial statements of the proprietary funds referred to in the first paragraph present fairly, in all material respects, the respective financial position of each fund of the City, as of December 31, 2024, and their respective changes in financial position and cash flows, for the year then ended, on the basis of the financial reporting provisions the Minnesota Office of the State Auditor as described in Note 1B.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City, as of December 31, 2024, the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Minnesota Office of the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Minnesota Office of the State Auditor. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Minnesota Office of the State auditor, as described in Note 1B. Management is also responsible for 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.

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 opinion. 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 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, 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.

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 individual fund financial schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

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

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



Abdo
Minneapolis, Minnesota
March 4, 2025



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BASIC FINANCIAL STATEMENTS - REGULATORY BASIS

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of the Village of Minnetonka Beach, Minnesota
Statement of Balances Arising from Cash Transactions
Governmental Funds
December 31, 2024

	101	401	<u>Nonmajor</u> 301	Total
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Governmental Funds</u>
Assets				
Cash and temporary investments	<u>\$ 1,430,837</u>	<u>\$ 199,474</u>	<u>\$ 73,612</u>	<u>\$ 1,703,923</u>
Cash Fund Balances				
Restricted				
Debt service	\$ -	\$ -	\$ 73,612	\$ 73,612
Assigned for				
Capital purchases	-	199,474	-	199,474
Unassigned	<u>1,430,837</u>	<u>-</u>	<u>-</u>	<u>1,430,837</u>
Total Cash Fund Balances	<u>\$ 1,430,837</u>	<u>\$ 199,474</u>	<u>\$ 73,612</u>	<u>\$ 1,703,923</u>

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

36 of 101
City of the Village of Minnetonka Beach, Minnesota
Statement of Cash Receipts, Disbursements and Changes in Cash Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	101 General	401 Capital Projects	Nonmajor 301 Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
Receipts					
Taxes	\$ 1,115,352	\$ -	\$ 67,200	\$ -	\$ 1,182,552
Licenses and permits	154,159	-	-	-	154,159
Intergovernmental	19,432	-	-	-	19,432
Charges for services	107,190	-	-	-	107,190
Fines and forfeitures	5,452	-	-	-	5,452
Special assessments	1,124	-	-	-	1,124
Investment earnings	126,184	-	-	-	126,184
Miscellaneous	4,311	-	-	-	4,311
Total Receipts	<u>1,533,204</u>	<u>-</u>	<u>67,200</u>	<u>-</u>	<u>1,600,404</u>
Disbursements					
Current					
General government	495,920	-	-	-	495,920
Public safety	279,333	-	-	-	279,333
Streets and highways	169,416	-	-	-	169,416
Sanitation and recycling	83,174	-	-	-	83,174
Culture and recreation	40,811	-	-	-	40,811
Capital outlay					
Streets and highways	14,235	255,875	-	-	270,110
Debt service					
Principal payments	-	-	38,000	-	38,000
Interest and other fiscal charges	-	-	30,235	-	30,235
Total Disbursements	<u>1,082,889</u>	<u>255,875</u>	<u>68,235</u>	<u>-</u>	<u>1,406,999</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>450,315</u>	<u>(255,875)</u>	<u>(1,035)</u>	<u>-</u>	<u>193,405</u>
Other Financing Sources (Uses)					
Transfers in	-	208,700	-	-	208,700
Transfers out	<u>(208,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(208,700)</u>
Total Other Financing Sources (Uses)	<u>(208,700)</u>	<u>208,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Fund Balances	<u>241,615</u>	<u>(47,175)</u>	<u>(1,035)</u>	<u>-</u>	<u>193,405</u>
Cash Fund Balances, January 1, as previously presented	1,189,222	-	-	321,296	1,510,518
Change within financial reporting entity (nonmajor to major fund)	-	246,649	74,647	(321,296)	-
Cash Fund Balances, January 1, as adjusted	<u>1,189,222</u>	<u>246,649</u>	<u>74,647</u>	<u>-</u>	<u>1,510,518</u>
Cash Fund Balances, December 31	<u>\$ 1,430,837</u>	<u>\$ 199,474</u>	<u>\$ 73,612</u>	<u>\$ -</u>	<u>\$ 1,703,923</u>

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

37 of 101
City of the Village of Minnetonka Beach, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities Enterprise Funds			Total
	601 Water Utility	602 Sewer Utility	Nonmajor 603	
			Stormwater Utility	
Assets				
Current Assets				
Cash and temporary investments	\$ 1,943,368	\$ 95,571	\$ 117,936	\$ 2,156,875
Accounts receivable	96,314	30,628	5,105	132,047
Total Current Assets	<u>2,039,682</u>	<u>126,199</u>	<u>123,041</u>	<u>2,288,922</u>
Noncurrent Assets				
Capital assets				
Construction in progress	4,224,787	-	-	4,224,787
Improvements other than buildings	5,198,487	21,759	101,937	5,322,183
Equipment	82,857	169,614	-	252,471
Less accumulated depreciation	<u>(1,134,978)</u>	<u>(75,147)</u>	<u>(12,740)</u>	<u>(1,222,865)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>8,371,153</u>	<u>116,226</u>	<u>89,197</u>	<u>8,576,576</u>
Total Assets	<u>10,410,835</u>	<u>242,425</u>	<u>212,238</u>	<u>10,865,498</u>
Liabilities				
Current Liabilities				
Accounts payable	575,685	274	-	575,959
Accrued interest payable	27,634	-	-	27,634
Current portion of bonds payable	227,000	-	-	227,000
Total Current Liabilities	<u>830,319</u>	<u>274</u>	<u>-</u>	<u>830,593</u>
Noncurrent Liabilities				
Bonds payable	8,454,770	-	-	8,454,770
Total Liabilities	<u>9,285,089</u>	<u>274</u>	<u>-</u>	<u>9,285,363</u>
Net Position				
Net investment in capital assets	(108,129)	116,226	89,197	97,294
Unrestricted	1,233,875	125,925	123,041	1,482,841
Total Net Position	<u>\$ 1,125,746</u>	<u>\$ 242,151</u>	<u>\$ 212,238</u>	<u>\$ 1,580,135</u>

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

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

	Business-type Activities Enterprise Funds			Total
	601 Water Utility	602 Sewer Utility	Nonmajor 603 Stormwater Utility	
Operating Revenues				
Charges for services	\$ 368,709	\$ 113,261	\$ 18,287	\$ 500,257
Operating Expenses				
Personnel services	24,773	12,346	-	37,119
Supplies	4,806	-	-	4,806
MCES charges	-	53,972	-	53,972
Depreciation	136,765	14,152	2,548	153,465
Other services and charges	80,148	52,349	-	132,497
Total Operating Expenses	<u>246,492</u>	<u>132,819</u>	<u>2,548</u>	<u>381,859</u>
Operating Income (Loss)	<u>122,217</u>	<u>(19,558)</u>	<u>15,739</u>	<u>118,398</u>
Nonoperating Revenues (Expenses)				
Investment earnings	172,558	-	-	172,558
Taxes	203,340	-	-	203,340
Miscellaneous income	17,486	-	-	17,486
Interest expense and other	<u>(222,861)</u>	<u>-</u>	<u>-</u>	<u>(222,861)</u>
Total Nonoperating Revenues (Expenses)	<u>170,523</u>	<u>-</u>	<u>-</u>	<u>170,523</u>
Change in Net Position	292,740	(19,558)	15,739	288,921
Net Position, January 1	<u>833,006</u>	<u>261,709</u>	<u>196,499</u>	<u>1,291,214</u>
Net Position, December 31	<u>\$ 1,125,746</u>	<u>\$ 242,151</u>	<u>\$ 212,238</u>	<u>\$ 1,580,135</u>

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

39 of 101
City of the Village of Minnetonka Beach, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities Enterprise Funds			Total
	601 Water Utility	602 Sewer Utility	Nonmajor 603 Stormwater Utility	
Cash Flows from Operating Activities				
Receipts from customers	\$ 363,263	\$ 113,261	\$ 18,242	\$ 494,766
Payments to suppliers	(81,664)	(110,397)	-	(192,061)
Payments to employees	(24,773)	(12,346)	-	(37,119)
Net Cash Provided (Used) by Operating Activities	<u>256,826</u>	<u>(9,482)</u>	<u>18,242</u>	<u>265,586</u>
Cash Flows from Capital and Related Financing Activities				
Taxes collected	203,340	-	-	203,340
Acquisition of capital assets	(3,317,070)	-	-	(3,317,070)
Principal paid on long-term debt	(227,000)	-	-	(227,000)
Interest paid on long-term debt	(246,480)	-	-	(246,480)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,587,210)</u>	<u>-</u>	<u>-</u>	<u>(3,587,210)</u>
Cash Flows from Investing Activities				
Investment earnings	172,558	-	-	172,558
Net Increase (Decrease) in Cash and Cash Equivalents	(3,157,826)	(9,482)	18,242	(3,149,066)
Cash and Cash Equivalents, January 1	5,101,194	105,053	99,694	5,305,941
Cash and Cash Equivalents , December 31	<u>\$ 1,943,368</u>	<u>\$ 95,571</u>	<u>\$ 117,936</u>	<u>\$ 2,156,875</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 122,217	\$ (19,558)	\$ 15,739	\$ 118,398
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	136,765	14,152	2,548	153,465
Other income related to operations	17,486	-	-	17,486
(Increase) in assets				
Accounts receivable	(22,932)	(4,076)	(45)	(27,053)
Increase (Decrease) in liabilities				
Accounts payable	3,290	-	-	3,290
Net Cash Provided (Used) by Operating Activities	<u>\$ 256,826</u>	<u>\$ (9,482)</u>	<u>\$ 18,242</u>	<u>\$ 265,586</u>
Schedule of Noncash Capital and Related Financing Activities				
Capital assets purchased on account	<u>\$ 571,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,394</u>
Amortization of bond premium	<u>\$ 21,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,962</u>

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

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of the Village of Minnetonka Beach, Minnesota (the City), operates under "Optional Plan A" as defined in the State of Minnesota statutes. The City is governed by an elected Mayor, a four-member City Council and an elected Treasurer. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. 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. The City has no component units that meet the GASB criteria.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared under the regulatory basis of accounting as described in the Minnesota Office of the State Auditor's Reporting and Publishing Requirements for Cities under 2,500 in population published in February of 2016. Under that basis, governmental fund receipts are recognized when received rather than when measurable and available, and disbursements are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because the City has not provided a management discussion and analysis letter, government-wide statement of net position and government-wide statement of activities and the City does not recognize governmental fund receipts and disbursements in accordance with the modified accrual basis of accounting.

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

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

Governmental funds are used to account for the City's general government activities and are accounted for using the regulatory basis of accounting. Their receipts are recognized when received in cash and disbursements are recognized when paid in cash. The regulatory basis of accounting is a special purpose framework other than GAAP. Under GAAP, governmental funds use the modified accrual method of accounting. The difference between the regulatory basis and modified accrual basis of accounting is that under the modified accrual basis of accounting, receipts are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On the regulatory basis, receipts from property taxes are recognized in the year the tax is collected. Receipts from grants, entitlements and donations are recognized in the year in which they are collected. For proprietary funds, 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 disbursements requirements, in which the resources are provided to the City on a reimbursement basis.

Preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

The *Water Utility fund* accounts for activities related to providing water to customers.

The *Sewer Utility fund* accounts for activities related to providing sanitary sewer service to customers.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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 enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities 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 of the cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statements of Cash Flows.

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

City of the Village of Minnetonka Beach, 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.

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

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

- Treasury Notes of \$358,997 are valued using quoted market prices (Level 1 Inputs)
- Negotiable Certificates of Deposit of \$237,389 are valued using a matrix pricing model (Level 2 inputs)

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

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

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

Accounts Receivable

Accounts receivable in the enterprise funds include amounts billed for services provided before year end. The City annually certifies delinquent water and sewer accounts to the County for collection. As a result, there is no allowance for uncollectible accounts. There City has no outstanding utility receivables older than one year.

Capital Assets

Under the regulatory basis, the City does not account for capital assets used in governmental funds.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Property, plant and equipment donated to these proprietary fund type operations are recorded at their acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

Property, plant and equipment are depreciated in the proprietary funds of the City using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Improvements Other than Buildings	10 to 50
Machinery and Equipment	3 to 25

Compensated Absences

Each regular full-time employee who terminates employment in good standing with the City after five years of full-time employment and who provides one month advance notice shall receive all accumulated vacation time and a one-time lump-sum severance payment amount equal to 50 percent of the employee's individual accumulated sick leave balance at the date of the termination, not to exceed 960 hours, compensated at the employee's normal straight-time rate of pay in effect on the employee's termination date.

In governmental funds, the cost of these benefits is recognized when payments are made to the employees.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

In the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type statement of net position. The recognition of 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 funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service disbursements.

Fund Balance

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

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

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

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

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

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

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

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 65 percent of budgeted operating disbursements for cash-flow timing.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

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

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

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the regulatory basis which is a basis of accounting that is not 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.

In August of each year, all departments of the City submit requests for appropriations to the Administration so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. There were no budget amendments in 2024.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

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

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

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

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

At year end, the City's carrying amount of deposits was \$51,358 and the bank balance was \$81,757. \$81,757 of the bank balance was covered by federal depository insurance.

Investments

At year end, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Broker Money Market	N/A	less than 6 months	\$ 1,574,823			
4M Fund	PI	less than 6 months	1,638,131			
Non-pooled Investments at Fair Value						
Negotiable Certificates of Deposit	N/A	less than 6 months	237,389	\$ -	\$ 237,389	\$ -
Treasury Notes	N/A	6 months to 1 year	358,997	358,997	-	-
Governmental Bonds	AA	1 year to 3 years		-	-	-
Total Investments			<u>\$ 3,809,340</u>	<u>\$ 358,997</u>	<u>\$ 237,389</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 the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

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 and the City's investment policy limit the City's investments to the list on page 23 of the notes.
- *Custodial Credit Risk* 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 investment in the Minnesota Municipal Money Market Mutual Fund is not subject to the custodial credit risk classifications as noted in paragraph 9 of GASB Statement No. 40. The City's investment policy minimizes this risk by: Maintaining a list of public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services and all public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- *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. In accordance with the City's investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities.
- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy minimizes the risk by Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

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

Deposits	\$ 51,358
Petty Cash	100
Investments	<u>3,809,340</u>
Total	<u><u>\$ 3,860,798</u></u>
Governmental Funds	
Unrestricted	\$ 1,703,923
Proprietary Funds	
Unrestricted	<u>2,156,875</u>
Total	<u><u>\$ 3,860,798</u></u>

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

A summary of changes in proprietary fund activity capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Proprietary Funds Activities				
Capital assets not being depreciated				
Construction in progress	\$ 336,323	\$ 3,888,464	\$ -	\$ 4,224,787
Capital Assets being Depreciated				
Improvements other than buildings	5,322,183	-	-	5,322,183
Equipment	252,471	-	-	252,471
Total Capital Assets being Depreciated	5,574,654	-	-	5,574,654
Less Accumulated Depreciation for				
Improvements other than buildings	(964,309)	(135,909)	-	(1,100,218)
Equipment	(105,091)	(17,556)	-	(122,647)
Total Accumulated Depreciation	(1,069,400)	(153,465)	-	(1,222,865)
Total Capital Assets being Depreciated, Net	4,505,254	(153,465)	-	4,351,789
Business-type Activities Capital Assets, Net	<u>\$ 4,841,577</u>	<u>\$ 3,734,999</u>	<u>\$ -</u>	<u>\$ 8,576,576</u>

The depreciation expense for the Water fund, Sewer fund and Stormwater Utility was as follows:

Proprietary Funds Activities		
Water		\$ 136,765
Sewer		14,152
Stormwater		<u>2,548</u>
Total depreciation expense - proprietary funds Activities		<u>\$ 153,465</u>

C. Interfund Transfers

During the year ended December 31, 2024 the General fund transferred \$208,700 to the Capital Improvement Fund to fund capital improvement projects.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

D. Long-term Debt

General Obligation (G.O.) Bonds

The City issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for governmental and enterprise funds. In addition, refunding G.O. bonds have been issued. G.O. bonds are direct obligations and pledge the full faith and credit of the government. G.O. bonds currently outstanding for they are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds, Series 2019A	\$ 2,385,000	3.00 - 4.00 %	07/01/19	02/01/40	\$ 2,030,000
G.O. Bonds, Series 2020A	2,385,000	3.00 - 4.00	07/01/20	02/01/41	1,185,000
G.O. Bonds, Series 2021A	1,185,000	2.00 - 3.00	12/01/21	02/01/32	975,000
G.O. Bonds, Series 2023A	4,965,000	4.00 - 5.00	12/06/23	08/01/48	4,965,000
Total G.O. Bonds					<u>\$ 9,155,000</u>

Annual debt service requirements to maturity for the G.O. bonds are as follows:

Year Ending December 31,	Governmental Funds			Proprietary Funds Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 38,000	\$ 25,240	\$ 63,240	\$ 227,000	\$ 308,460	\$ 535,460
2026	40,000	23,680	63,680	360,000	301,545	661,545
2027	42,000	22,040	64,040	373,000	288,110	661,110
2028	44,000	20,320	64,320	386,000	274,180	660,180
2029	46,000	18,750	64,750	404,000	260,725	664,725
2030 - 2034	248,000	72,180	320,180	1,922,000	1,103,570	3,025,570
2035 - 2039	290,000	31,950	321,950	1,860,000	770,275	2,630,275
2040 - 2044	64,000	960	64,960	1,556,000	447,715	2,003,715
2045 - 2048	-	-	-	1,255,000	141,894	1,396,894
Total	<u>\$ 812,000</u>	<u>\$ 215,120</u>	<u>\$ 1,027,120</u>	<u>\$ 8,343,000</u>	<u>\$ 3,896,474</u>	<u>\$ 12,239,474</u>

Changes in Long-term Liabilities

During the year ended December 31, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
G.O. Bonds Payable	\$ 850,000	\$ -	\$ (38,000)	\$ 812,000	\$ 38,000
Business-type Activities					
G.O. Bonds Payable	\$ 8,570,000	\$ -	\$ (227,000)	\$ 8,343,000	\$ 227,000
Unamortized Premium on Bonds	360,732	-	(21,962)	338,770	-
Business-type Activity Long-term Liabilities	<u>\$ 8,930,732</u>	<u>\$ -</u>	<u>\$ (248,962)</u>	<u>\$ 8,681,770</u>	<u>\$ 227,000</u>

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 4: Defined Benefit Pension Plan - Statewide

A. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERP), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356.

General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all General Employee Plan members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651) 296-7460 or (800) 652-9026.

B. Funding Policy

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. General Employees Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in 2024. In 2024, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan General Employees Plan members and 7.50 percent for Coordinated Plan General Employees Plan members. The City's contributions to the General Employees Plan for the years ended December 31, 2024, 2023 and 2022 were \$27,529, \$20,743, and \$19,940, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of the Village of Minnetonka Beach, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 5: 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 this City's coverage in any of the past three fiscal years.

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.

B. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The market value of taxable property within the City is \$527,316,500 making the legal debt margin \$11,629,495. The City's applicable debt is currently under this limit.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of the Village of Minnetonka Beach, Minnesota

General Fund

Budgetary Comparison Schedule - Regulatory Basis (Continued on the Following Pages)

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary Fund Balances, January 1	\$ 1,189,222	\$ 1,189,222	\$ 1,189,222	\$ -	\$ 951,114
Receipts					
Taxes					
General property taxes	1,126,330	1,126,330	1,115,352	(10,978)	976,810
Licenses and permits					
Business	1,600	1,600	3,108	1,508	2,101
Nonbusiness	98,940	98,940	151,051	52,111	104,349
Total licenses And permits	100,540	100,540	154,159	53,619	106,450
Intergovernmental					
State					
Other	-	-	13,596	13,596	23,937
County					
Other	5,700	5,700	5,836	136	23,961
Total Intergovernmental	5,700	5,700	19,432	13,732	47,898
Charges for services					
Leaf pick-up	19,400	19,400	18,817	(583)	17,881
U.S. Post Office	5,000	5,000	5,000	-	5,000
Sanitation and recycling	83,222	83,222	83,373	151	81,204
Total charges for services	107,622	107,622	107,190	(432)	104,085
Fines and forfeitures	3,000	3,000	5,452	2,452	8,570
Special assessments	-	-	1,124	1,124	1,281
Investment earnings	35,000	35,000	126,184	91,184	90,485
Miscellaneous					
Other	1,550	1,550	4,311	2,761	3,144
Total Receipts	1,379,742	1,379,742	1,533,204	153,462	1,338,723
Amounts Available for Appropriation	2,568,964	2,568,964	2,722,426	153,462	2,289,837

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City of the Village of Minnetonka Beach, Minnesota
General Fund
Budgetary Comparison Schedule - Regulatory Basis (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Disbursements					
Current					
General government					
Administration and finance					
Personnel services	\$ 307,559	\$ 307,559	\$ 318,125	\$ (10,566)	\$ 290,802
Elections					
Other services and charges	6,500	6,500	6,812	(312)	697
City hall					
Supplies	22,000	22,000	22,346	(346)	19,702
Other services and charges	40,400	40,400	37,059	3,341	43,468
Total city hall	62,400	62,400	59,405	2,995	63,170
Assessor					
Other services and charges	12,500	12,500	18,750	(6,250)	18,250
Insurance					
Other services and charges	28,980	28,980	29,196	(216)	27,109
Legal					
Other services and charges	30,000	30,000	32,289	(2,289)	17,299
Audit and accounting					
Other services and charges	19,000	19,000	18,828	172	18,545
Planning and zoning					
Other services and charges	20,000	20,000	12,515	7,485	13,970
Total General Government	486,939	486,939	495,920	(8,981)	449,842
Public safety					
Police					
Other services and charges	166,670	166,670	166,670	-	161,815
Fire					
Other services and charges	61,814	61,814	61,614	200	58,479
Building inspection					
Other services and charges	38,400	38,400	50,808	(12,408)	37,026
Prisoner room and board					
Other services and charges	300	300	241	59	-
Animal control					
Other services and charges	100	100	-	100	-
Total Public Safety	267,284	267,284	279,333	(12,049)	257,320

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City of the Village of Minnetonka Beach, Minnesota
General Fund
Budgetary Comparison Schedule - Regulatory Basis (Continued)
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Disbursements (Continued)					
Current (continued)					
Streets and highways					
Street lighting					
Other services and charges	\$ 11,000	\$ 11,000	\$ 9,027	\$ 1,973	\$ 10,104
Street maintenance					
Personnel services	110,837	110,837	109,591	1,246	96,989
Supplies	19,100	19,100	10,182	8,918	13,443
Other services and charges	66,250	66,250	40,616	25,634	34,417
Total street maintenance	<u>196,187</u>	<u>196,187</u>	<u>160,389</u>	<u>35,798</u>	<u>144,849</u>
Total Streets and Highways	<u>207,187</u>	<u>207,187</u>	<u>169,416</u>	<u>37,771</u>	<u>154,953</u>
Sanitation and recycling					
Other services and charges	<u>83,222</u>	<u>83,222</u>	<u>83,174</u>	<u>48</u>	<u>81,620</u>
Culture and recreation					
Parks and recreation					
Supplies	750	750	-	750	467
Other services and charges	44,960	44,960	40,811	4,149	34,663
Total culture and recreation	<u>45,710</u>	<u>45,710</u>	<u>40,811</u>	<u>4,899</u>	<u>35,130</u>
Total Current Disbursements	<u>1,090,342</u>	<u>1,090,342</u>	<u>1,068,654</u>	<u>21,688</u>	<u>978,865</u>
Capital outlay					
Streets and highways	-	-	14,235	(14,235)	-
Culture and recreation	-	-	-	-	1,800
Total capital outlay	<u>-</u>	<u>-</u>	<u>14,235</u>	<u>(14,235)</u>	<u>1,800</u>
Total Disbursements	<u>1,090,342</u>	<u>1,090,342</u>	<u>1,082,889</u>	<u>7,453</u>	<u>980,665</u>
Other Financing Uses					
Transfers out	<u>208,700</u>	<u>208,700</u>	<u>208,700</u>	<u>-</u>	<u>119,950</u>
Total Disbursements and Other Financing Uses	<u>1,299,042</u>	<u>1,299,042</u>	<u>1,291,589</u>	<u>7,453</u>	<u>1,100,615</u>
Budgetary Fund Balances, December 31	<u>\$ 1,269,922</u>	<u>\$ 1,269,922</u>	<u>\$ 1,430,837</u>	<u>\$ 160,915</u>	<u>\$ 1,189,222</u>

City of the Village of Minnetonka Beach, Minnesota
 Summary Financial Report
 Receipts and Disbursements for General Operations -
 Governmental Funds
 For the Years Ended December 31, 2024 and 2023

	Total		Percent Increase (Decrease)
	2024	2023	
Receipts			
Taxes	\$ 1,182,552	\$ 1,045,606	13.10 %
Licenses and permits	154,159	106,450	44.82
Intergovernmental	19,432	47,898	(59.43)
Charges for services	107,190	104,085	2.98
Fines	5,452	8,570	(36.38)
Special assessments	1,124	1,281	(12.26)
Investment earnings	126,184	90,485	39.45
Miscellaneous	4,311	3,144	37.12
	<u>\$ 1,600,404</u>	<u>\$ 1,407,519</u>	
Total Receipts	<u>\$ 1,600,404</u>	<u>\$ 1,407,519</u>	13.70 %
Per Capita	<u>\$ 2,991</u>	<u>\$ 2,573</u>	16.25 %
Disbursements			
Current			
General government	\$ 495,920	\$ 449,842	10.24 %
Public safety	279,333	257,320	8.55
Streets and highways	169,416	154,953	9.33
Sanitation and recycling	83,174	81,620	1.90
Culture and recreation	40,811	35,130	16.17
Capital outlay			
Streets and highways	270,110	75,624	257.17
Culture and recreation	-	1,800	(100.00)
Debt service			
Principal	38,000	36,000	6
Interest and other charges	30,235	29,285	3.24
	<u>\$ 1,406,999</u>	<u>\$ 1,121,574</u>	
Total Disbursements	<u>\$ 1,406,999</u>	<u>\$ 1,121,574</u>	25.45 %
Per Capita	<u>\$ 2,630</u>	<u>\$ 2,050</u>	28.26 %
Total Long-term Indebtedness	\$ 812,000	\$ 850,000	(4.47) %
Per Capita	1,518	1,554	(2.33)
General Fund Cash Balance - December 31	\$ 1,430,837	\$ 1,189,222	20.32 %
Per Capita	2,674	2,174	23.02

The purpose of this report is to provide a summary of financial information concerning the City of the Village of Minnetonka Beach to interested citizens. The complete financial statements may be examined at City Hall, 2945 Westwood Road, Minnetonka Beach, MN 55361. Questions about this report should be directed to Heidi Honey, City Administrator.

SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of the Village of Minnetonka Beach, Minnesota

Supplementary Information (Unaudited)

December 31, 2024

Schedule of Accounts Receivable

Fund	Source of Revenue and Purpose	Amount
General	Hennepin County January tax settlement	<u>\$ 14,727</u>

Schedule of Accounts Payable and Contingent Liabilities

Fund	Vendor Name	Item and Purpose	Amount
General	MN Dept of Revenue	Payroll taxes	\$ 408
General	Gopher State One-Call	Contracted Services	5
General	Office Depot	Supplies	93
General	MN Dept of Labor and Industry	Permit Fees	537
General	Republic Services	Garbage Services	6,444
General	Verizon	Communication Services	88
General	Stantec	Engineering	50
General	Xcel Energy	Utilities	932
General	Metro West Inspection Dec 2024	Contracted Services	793
General	Rackley Computer Consulting	Contracted Services	499
General	Lynette Rhode	Contracted Services	85
General	Accrued Wages and Compensated Absences	Payroll	<u>88,250</u>
	Total		<u>\$ 98,184</u>

OTHER REQUIRED REPORT
CITY OF THE VILLAGE OF MINNETONKA BEACH
MINNETONKA BEACH, 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 the Village of Minnetonka Beach, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of the Village of Minnetonka Beach, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated March 4, 2025. In our report, our opinion was adverse because the City prepared its financial statements on the regulatory basis, which is a special purpose framework other than accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City of the Village of Minnetonka Beach 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.

This report is intended solely for the information and use those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

March 4, 2025

A handwritten signature in black ink that reads "Abdo".

Abdo
Minneapolis, Minnesota
March 4, 2025



City of the Village of Minnetonka Beach

2024 Financial Statement Audit



Audit Results

Auditor's Opinion



Adverse Opinion under GAAP

Unmodified Opinion -under the
Regulatory Basis of Accounting

Minnesota Legal Compliance



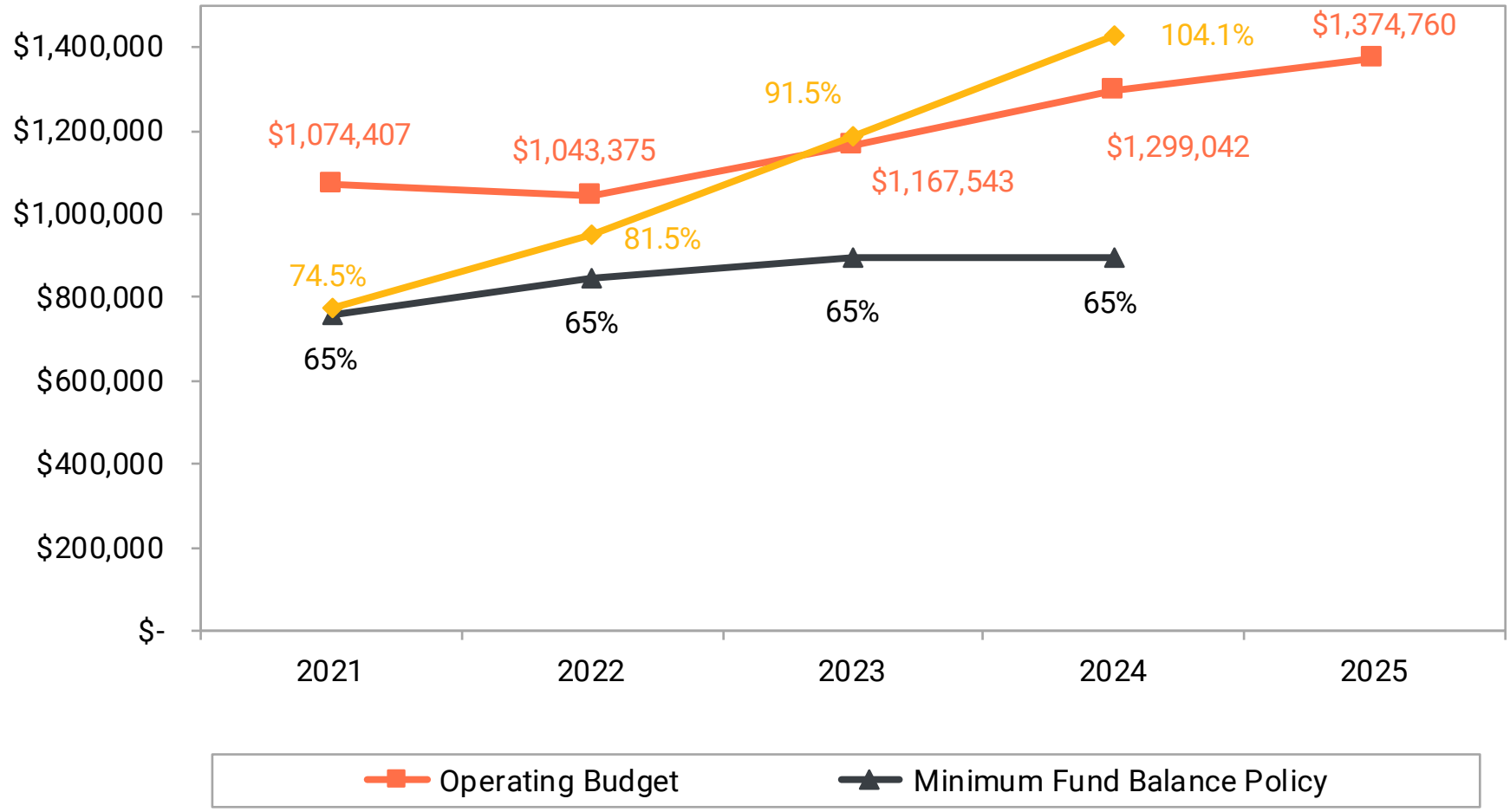
No instances of noncompliance

Audit Results 2024 Audit Findings

- Preparation of Financial Statements



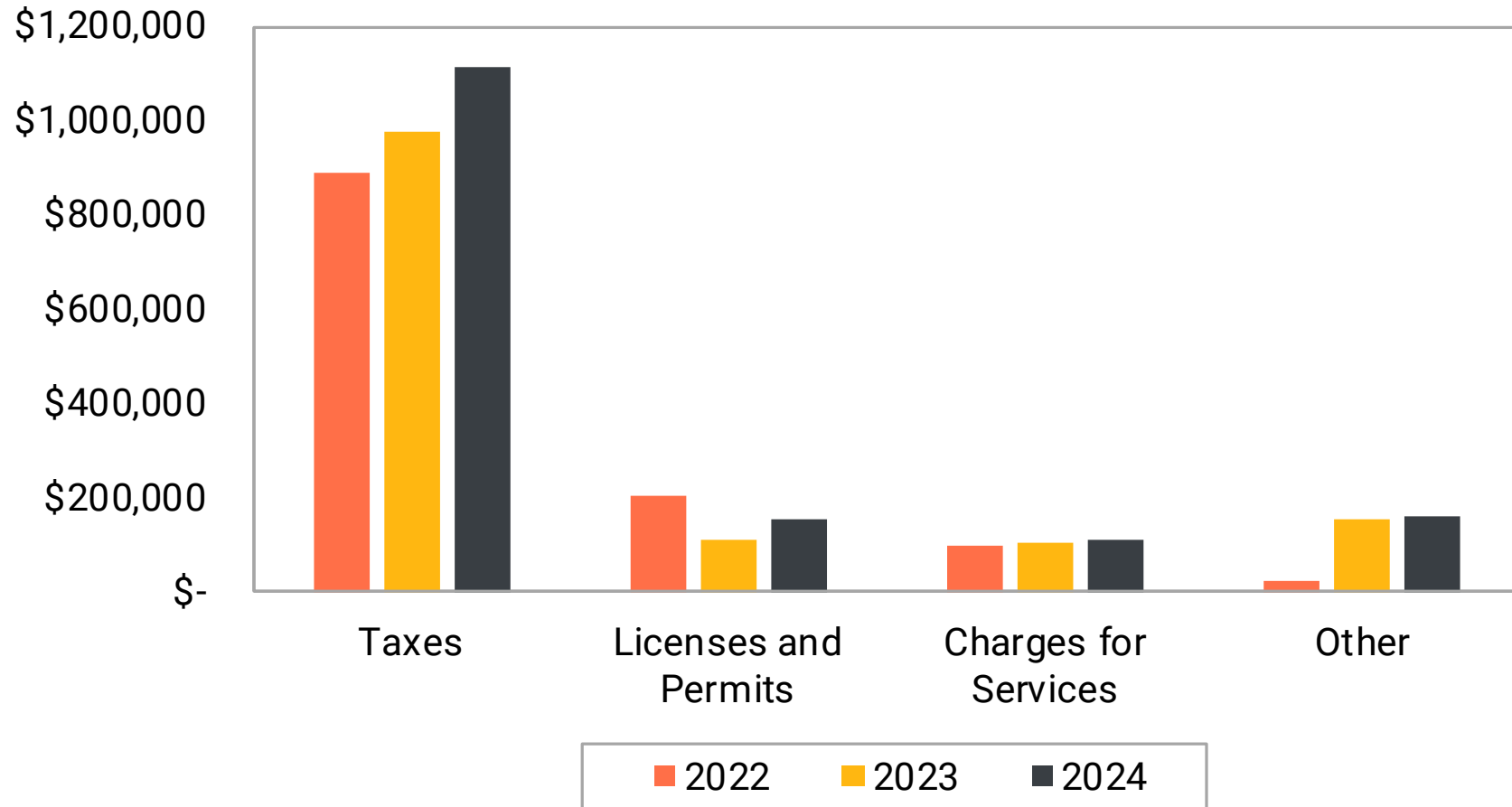
General Fund Cash Fund Balances



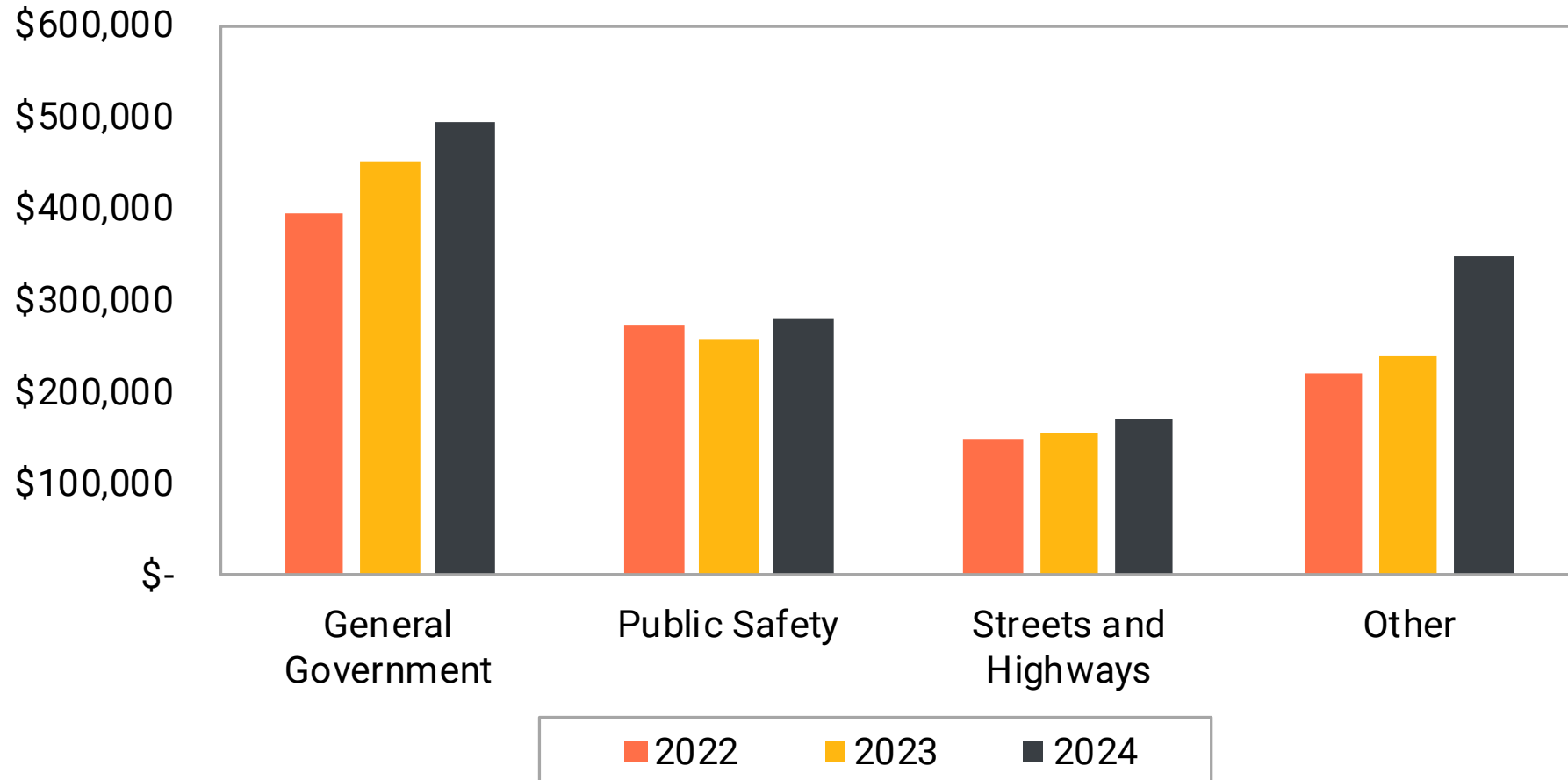
2024 General Fund Budget to Actual

	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Receipts	\$1,379,742	\$1,533,204	\$ 153,462
Disbursements	<u>1,090,342</u>	<u>1,082,889</u>	<u>7,453</u>
Excess of Receipts Over Disbursements	289,400	450,315	160,915
Other Financing Uses Transfers out	<u>(208,700)</u>	<u>(208,700)</u>	<u>-</u>
Net Change in Cash Fund Balances	80,700	241,615	160,915
Cash Fund Balances, January 1	<u>1,189,222</u>	<u>1,189,222</u>	<u>-</u>
Cash Fund Balances, December 31	<u><u>\$1,269,922</u></u>	<u><u>\$1,430,837</u></u>	<u><u>\$ 160,915</u></u>

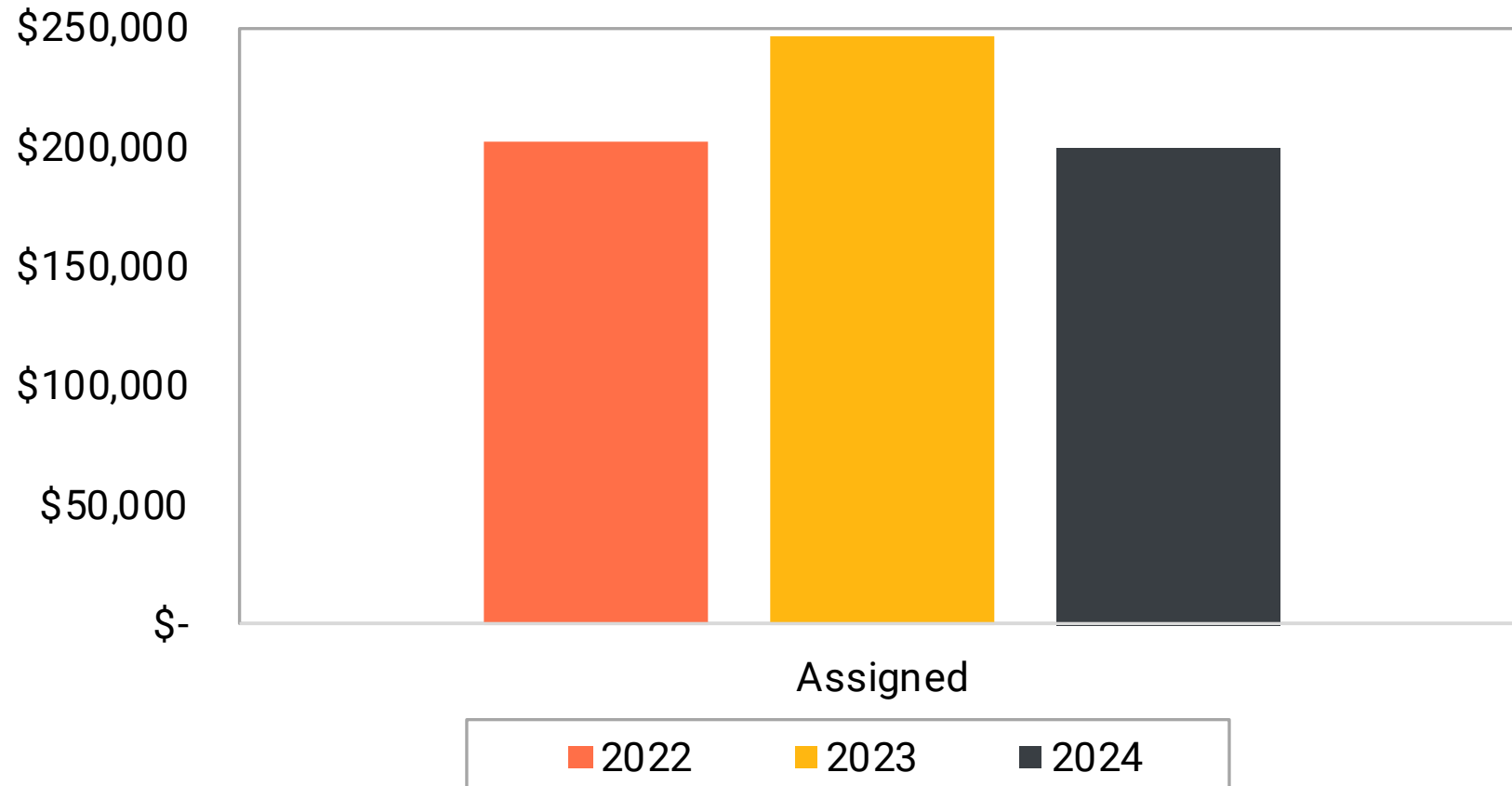
General Fund Receipts by Type



General Fund Disbursements by Type

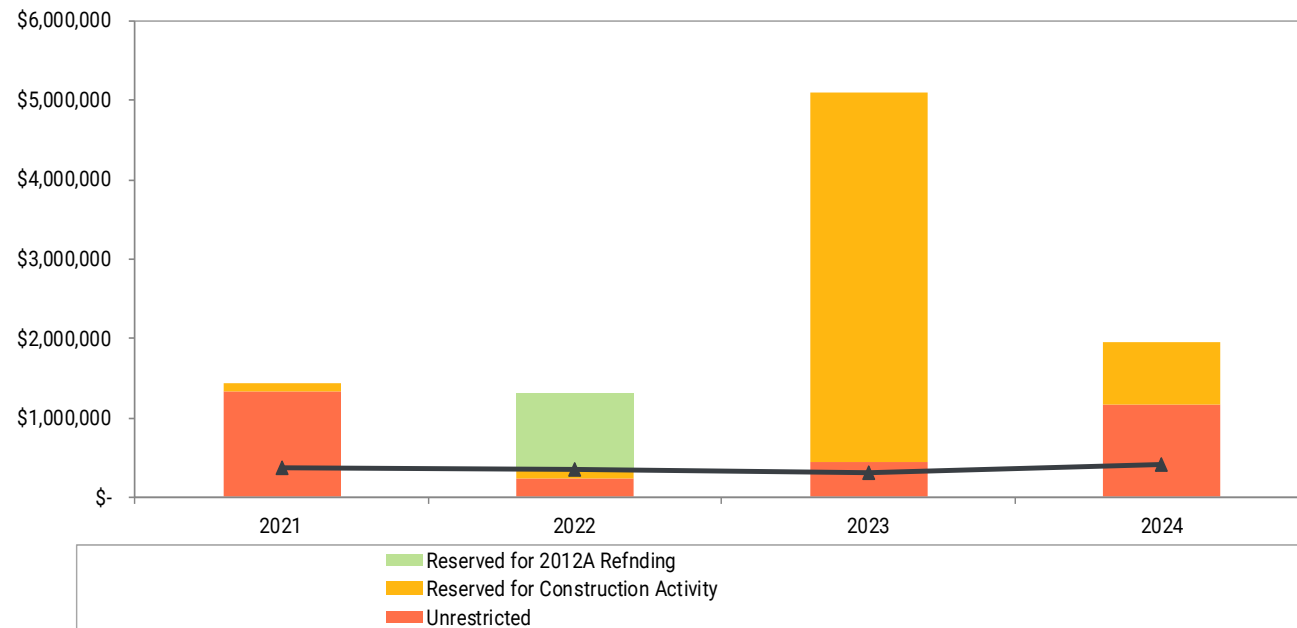
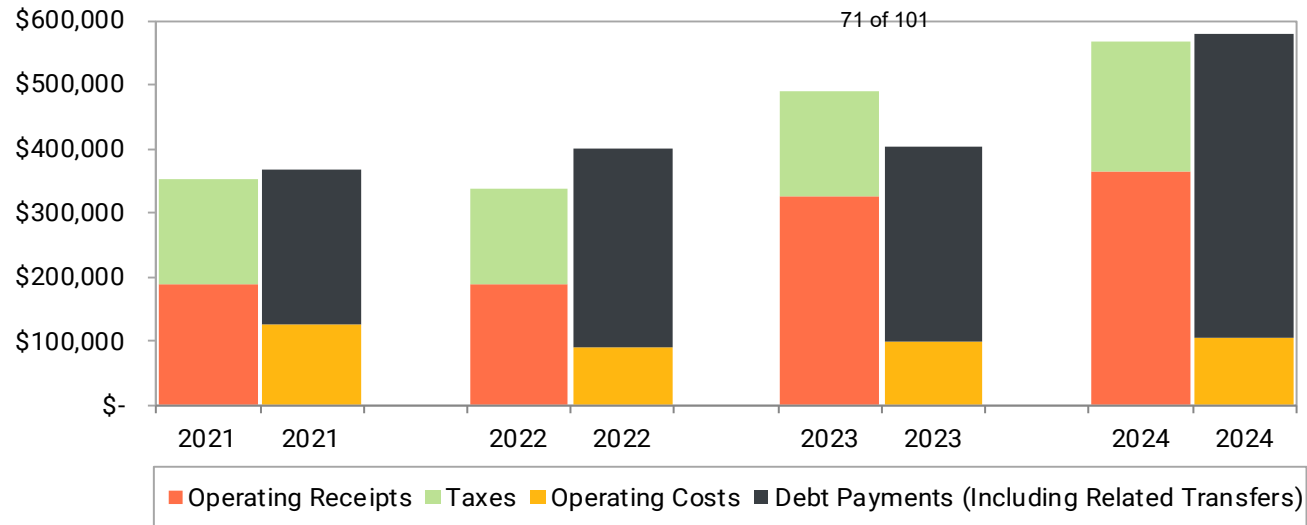


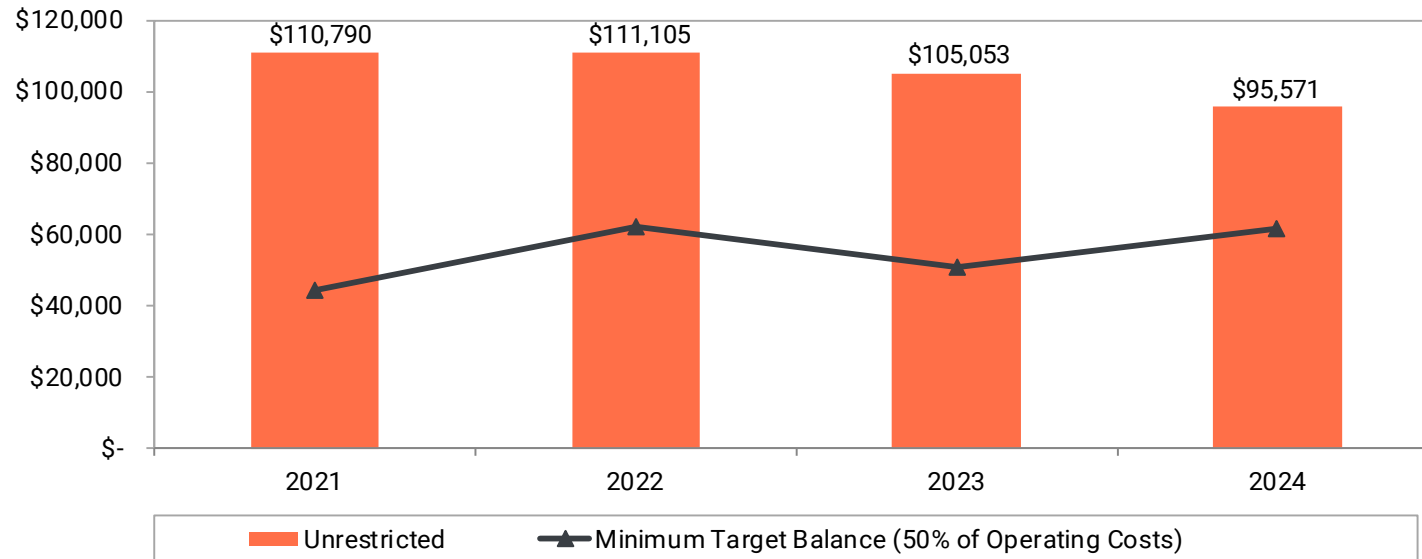
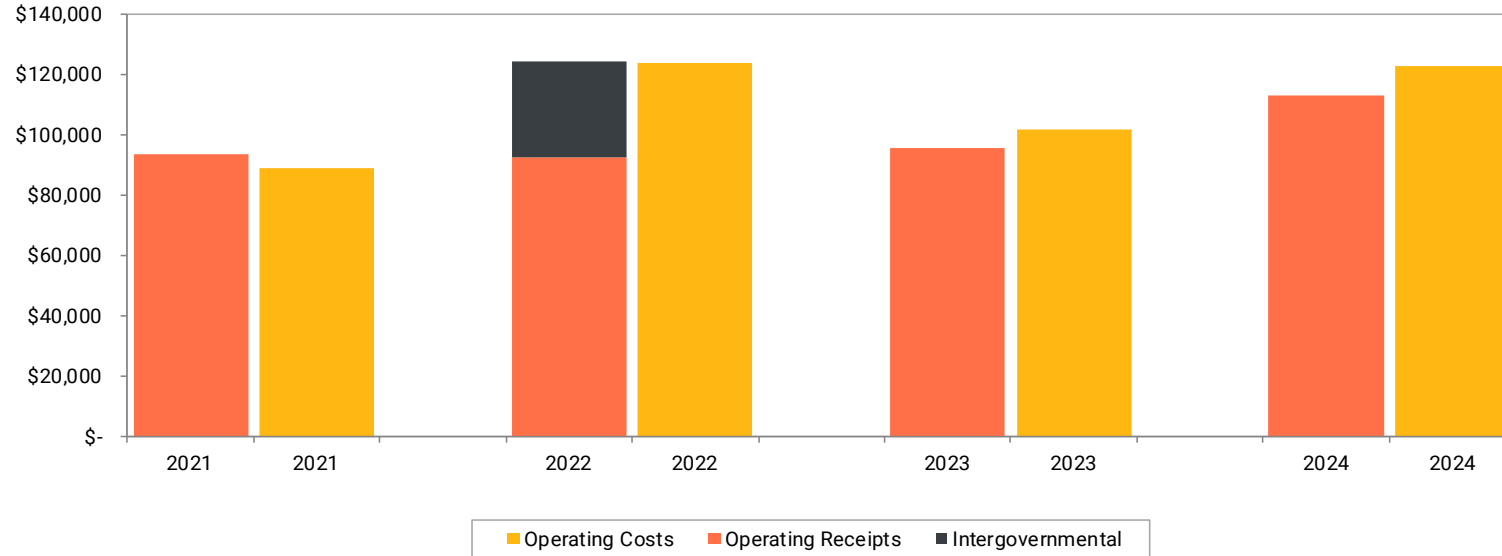
Capital Project Cash Fund Balances



Water Fund

Cash Flows from Operations and Cash Balances

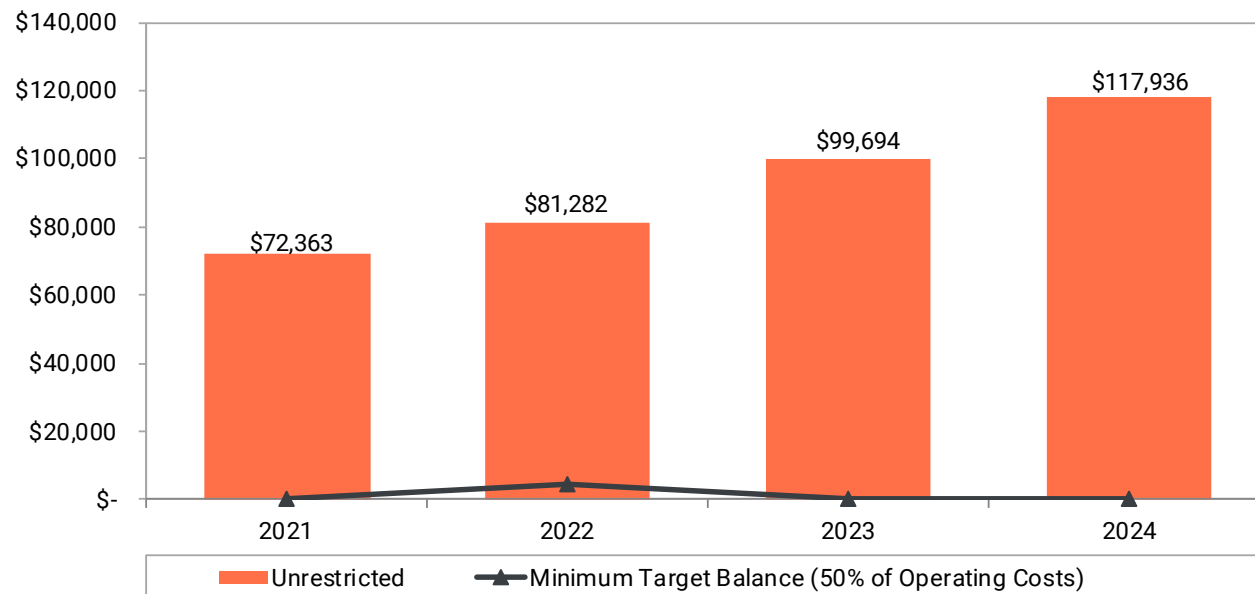
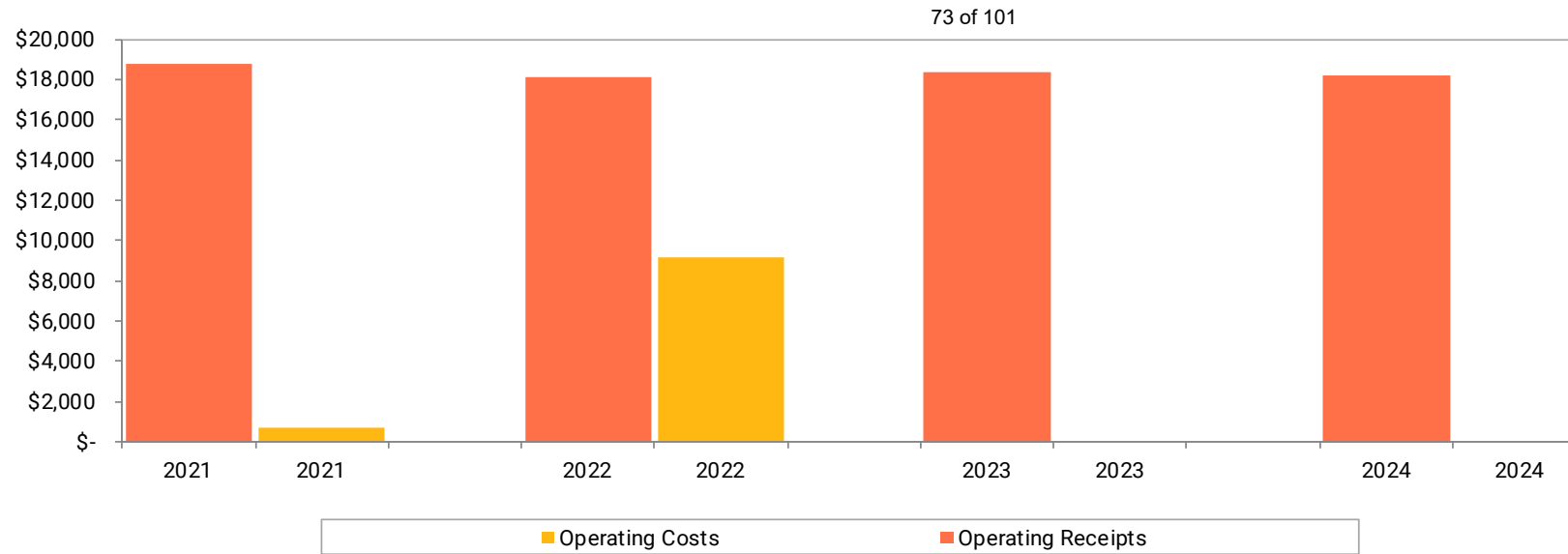




Sewer Fund

Cash Flows from Operations and Cash Balances

Storm Water Fund



Cash Flows from Operations and Cash Balances

Reserve Summary ^{74 of 101}

2024 Reserve Summary

	Governmental Funds			Enterprise Funds			Total
	General	Debt Service	Capital Projects	Water	Sewer	Stormwater	
2024 Unrestricted Cash Balance	\$ 1,430,837	\$ 73,612	\$ 199,474	\$ 1,169,486	\$ 95,571	\$ 117,936	\$ 3,086,916
2024 Reserve Balance	\$ 1,430,837	\$ 73,612	\$ 199,474	\$ 1,233,875	\$ 125,925	\$ 123,041	\$ 3,186,764
2025 Budgeted Expenses	\$ 1,374,760	\$ 262,075	\$ 214,700	\$ 475,052	\$ 126,182	\$ 12,000	\$ 2,464,769
% of Reserve to Budget	104%	28%	93%	260%	100%	1025%	129%
Suggested or Required Reserve	65%	*	*	50%**	50%	50%	
	\$893,594	*	*	\$406,689	\$63,091	\$6,000	\$1,369,374
Excess (Deficiency) Reserves	\$537,243	*	*	\$ 827,187	\$ 62,834	\$ 117,041	\$1,817,390

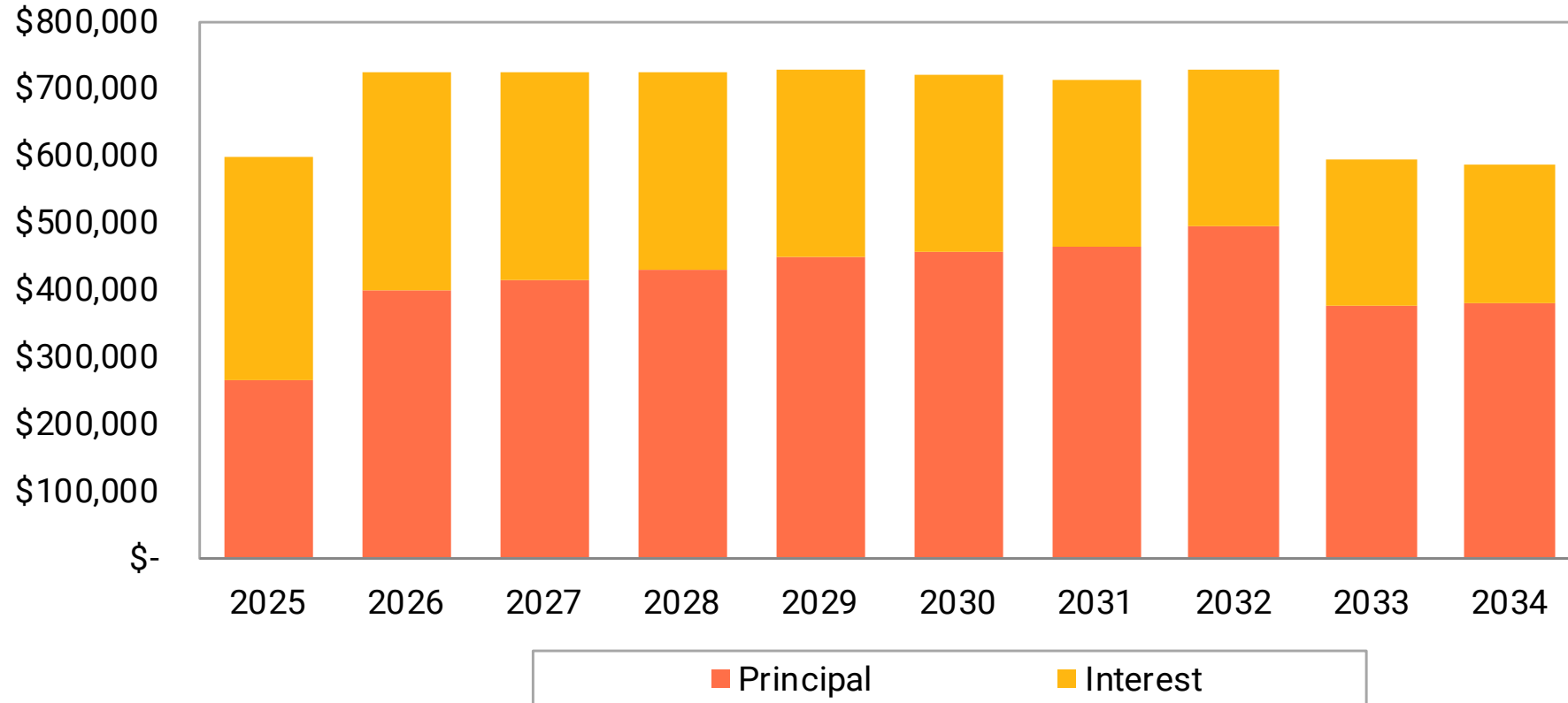
* Debt Service and Capital Project fund suggested or required reserve not provided. Reserve balances dependent on debt schedule and capital improvement plan.

** The suggested reserve balance for the Water fund is calculated at 50% of operating costs plus bond payments to be paid with water revenues. Future bond issuance

2023 Reserve Summary

% of Reserve to Budget	92%	27%	118%	129%	151%	873%	99%
Suggested or Required Reserve	65%	*	*	50%**	50%	50%	
	\$844,378	*	*	\$316,885	\$43,554	\$6,000	\$1,210,816
Excess (Deficiency) Reserves	\$344,844	*	*	\$ 165,053	\$ 87,778	\$ 98,754	\$1,017,725

Debt Service Future Payments



Your Abdo Team



Bonnie Schwieger, CPA
Partner

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Amanda Schmidt
Associate

amanda.schmidt@abdosolutions.com



Delaney Rossow
Associate

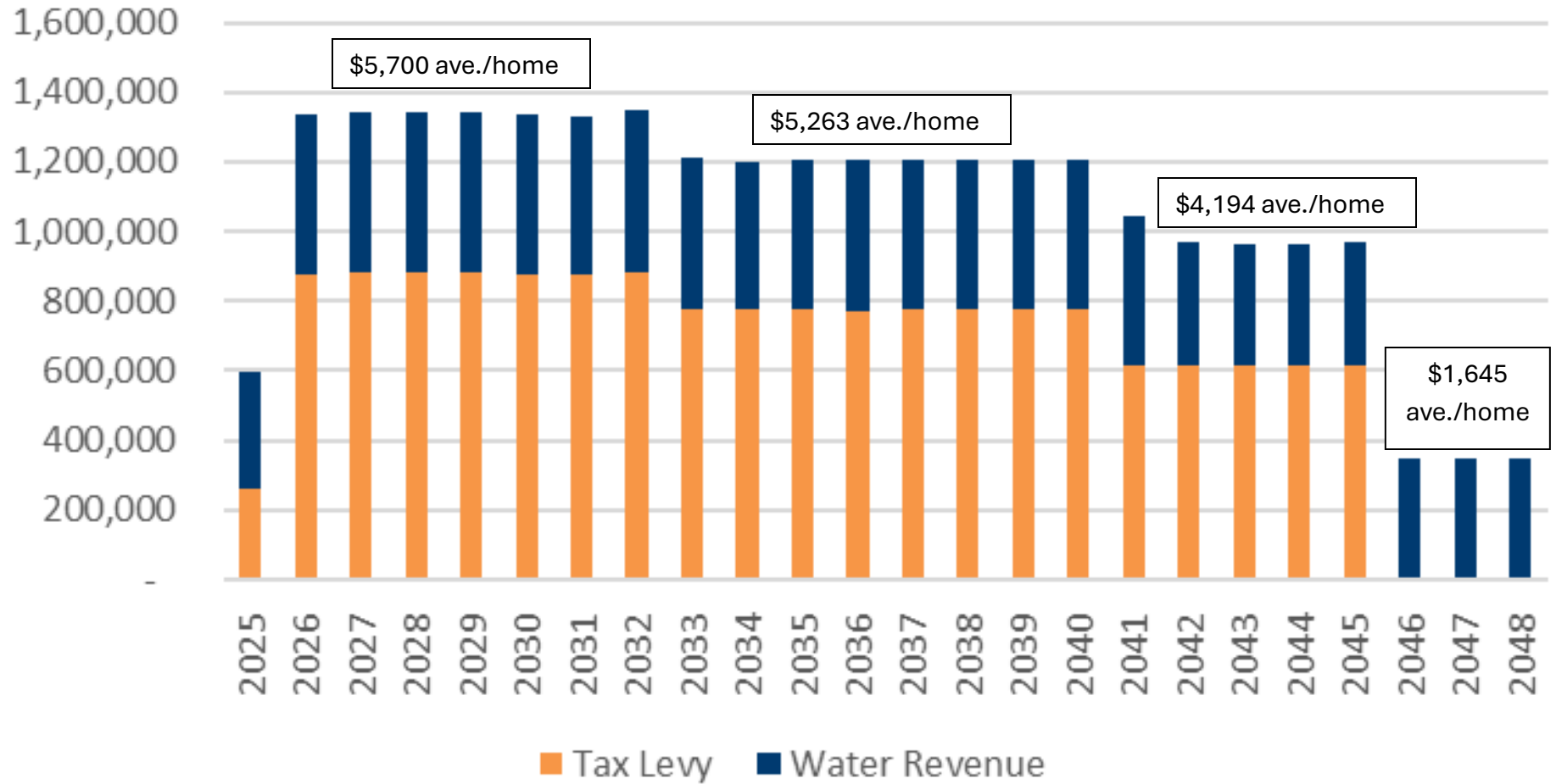
delaney.rossow@abdosolutions.com

Debt Service

City of Minnetonka Beach
Allocation of Debt Service Between Tax Levies and Water Revenues
February 5, 2025

		GO Bonds 2019A		GO Bonds 2020A		GO Bonds 2021A New Money Portion		GO Bonds 2021A Refunding of 2012A		GO Bonds 2023A		ESTIMATED GO Bonds 2025A		TOTAL PAID FROM TAX LEVIES			TOTAL PAID FROM WATER REVS			TOTAL ANNUAL DEBT SERVICE
		100% 301 Levy Principal	100% 301 Levy Interest	100% 601 Water Principal	100% 601 Water Interest	100% 601 Water Principal	100% 601 Water Interest	100% 301 Levy Principal	100% 301 Levy Interest	100% 601 Water Principal	100% 601 Water Interest	100% 301 Levy Principal	100% 301 Levy Interest	Principal	Interest	TOTAL	Principal	Interest	TOTAL	TOTAL
2025	2/1	95,000	32,500	60,000	11,850	25,000	2,550	85,000	9,525	-	112,500	-	-	180,000	42,025		85,000	126,900		
2025	8/1	-	30,600	-	11,250	-	2,175	-	8,250	-	112,500	-	-	-	38,850	260,875	-	125,925	337,825	598,700
2026	2/1	100,000	30,600	60,000	11,250	25,000	2,175	90,000	8,250	-	112,500	-	267,877	190,000	306,727		85,000	125,925		
2026	8/1	-	28,600	-	10,650	-	1,800	-	6,900	125,000	112,500	185,000	161,264	185,000	196,764	878,491	125,000	124,950	460,875	1,339,366
2027	2/1	105,000	28,600	60,000	10,650	25,000	1,800	95,000	6,900	-	109,375	-	158,211	200,000	193,711		85,000	121,825		
2027	8/1	-	26,500	-	10,050	-	1,425	-	5,475	130,000	109,375	300,000	158,211	300,000	190,186	883,898	130,000	120,850	457,675	1,341,573
2028	2/1	110,000	26,500	65,000	10,050	25,000	1,425	95,000	5,475	-	106,125	-	153,186	205,000	185,161		90,000	117,600		
2028	8/1	-	24,300	-	9,400	-	1,050	-	4,050	135,000	106,125	310,000	153,186	310,000	181,536	881,698	135,000	116,575	459,175	1,340,873
2029	2/1	115,000	24,300	65,000	9,400	25,000	1,050	100,000	4,050	-	102,750	-	147,994	215,000	176,344		90,000	113,200		
2029	8/1	-	22,575	-	8,750	-	800	-	3,050	145,000	102,750	320,000	147,994	320,000	173,619	884,963	145,000	112,300	460,500	1,345,463
2030	2/1	115,000	22,575	65,000	8,750	25,000	800	100,000	3,050	-	99,125	-	142,554	215,000	168,179		90,000	108,675		
2030	8/1	-	20,850	-	8,100	-	550	-	2,050	150,000	99,125	330,000	142,554	330,000	165,454	878,633	150,000	107,775	456,450	1,335,083
2031	2/1	120,000	20,850	65,000	8,100	25,000	550	100,000	2,050	-	95,375	-	136,861	220,000	159,761		90,000	104,025		
2031	8/1	-	19,050	-	7,450	-	300	-	1,050	155,000	95,375	340,000	136,861	340,000	156,961	876,723	155,000	103,125	452,150	1,328,873
2032	2/1	125,000	19,050	70,000	7,450	30,000	300	105,000	1,050	-	91,500	-	130,911	230,000	151,011		100,000	99,250		
2032	8/1	-	17,175	-	6,750	-	-	-	-	165,000	91,500	355,000	130,911	355,000	148,086	884,098	165,000	98,250	462,500	1,346,598
2033	2/1	130,000	17,175	70,000	6,750					-	87,375	-	124,699	130,000	141,874		70,000	94,125		
2033	8/1	-	15,225	-	6,050					175,000	87,375	365,000	124,699	365,000	139,924	776,798	175,000	93,425	432,550	1,209,348
2034	2/1	130,000	15,225	70,000	6,050					-	83,000	-	118,220	130,000	133,445		70,000	89,050		
2034	8/1	-	13,275	-	5,350					180,000	83,000	380,000	118,220	380,000	131,495	774,940	180,000	88,350	427,400	1,202,340
2035	2/1	135,000	13,275	70,000	5,350					-	78,500	-	111,380	135,000	124,655		70,000	83,850		
2035	8/1	-	11,250	-	4,650					190,000	78,500	395,000	111,380	395,000	122,630	777,285	190,000	83,150	427,000	1,204,285
2036	2/1	140,000	11,250	75,000	4,650					-	73,750	-	104,073	140,000	115,323		75,000	78,400		
2036	8/1	-	9,150	-	3,900					200,000	73,750	405,000	104,073	405,000	113,223	773,545	200,000	77,650	431,050	1,204,595
2037	2/1	145,000	9,150	75,000	3,900					-	68,750	-	96,175	145,000	105,325		75,000	72,650		
2037	8/1	-	6,975	-	3,150					210,000	68,750	425,000	96,175	425,000	103,150	778,475	210,000	71,900	429,550	1,208,025
2038	2/1	150,000	6,975	75,000	3,150					-	63,500	-	87,781	150,000	94,756		75,000	66,650		
2038	8/1	-	4,725	-	2,400					220,000	63,500	440,000	87,781	440,000	92,506	777,263	220,000	65,900	427,550	1,204,813
2039	2/1	155,000	4,725	80,000	2,400					-	59,100	-	78,981	155,000	83,706		80,000	61,500		
2039	8/1	-	2,400	-	1,600					230,000	59,100	455,000	78,981	455,000	81,381	775,088	230,000	60,700	432,200	1,207,288
2040	2/1	160,000	2,400	80,000	1,600					-	54,500	-	69,654	160,000	72,054		80,000	56,100		
2040	8/1	-	800	-	800					240,000	54,500	475,000	69,654	475,000	69,654	776,708	240,000	55,300	431,400	1,208,108
2041	2/1			80,000	800					-	49,700	-	59,679	-	59,679		80,000	50,500		
2041	8/1									250,000	49,700	495,000	59,679	495,000	59,679	614,358	250,000	49,700	430,200	1,044,558
2042	2/1									-	44,544	-	49,036	-	49,036		-	44,544		
2042	8/1									260,000	44,544	520,000	49,036	520,000	49,036	618,073	260,000	44,544	349,088	967,160
2043	2/1									-	39,181	-	37,726	-	37,726		-	39,181		
2043	8/1									270,000	39,181	540,000	37,726	540,000	37,726	615,453	270,000	39,181	348,363	963,815
2044	2/1									-	33,613	-	25,846	-	25,846		-	33,613		
2044	8/1									280,000	33,613	565,000	25,846	565,000	25,846	616,693	280,000	33,613	347,225	963,918
2045	2/1									-	27,663	-	13,275	-	13,275		-	27,663		
2045	8/1									295,000	27,663	590,000	13,275	590,000	13,275	616,550	295,000	27,663	350,325	966,875
2046	2/1									-	21,209						-	21,209		
2046	8/1									305,000	21,209						305,000	21,209	347,419	347,419
2047	2/1									-	14,538						-	14,538		
2047	8/1									320,000	14,538						320,000	14,538	349,075	349,075
2048	2/1									-	7,538						-	7,538		
2048	8/1									335,000	7,538						335,000	7,538	350,075	350,075
Totals		2,030,000	537,800	1,185,000	212,450	205,000	18,750	770,000	71,175	4,965,000	3,271,419	8,190,000	4,121,626	10,990,000	4,730,601	15,720,601	6,355,000	3,502,619	9,857,619	25,578,220

Est. City of Minnetonka Beach Debt Service

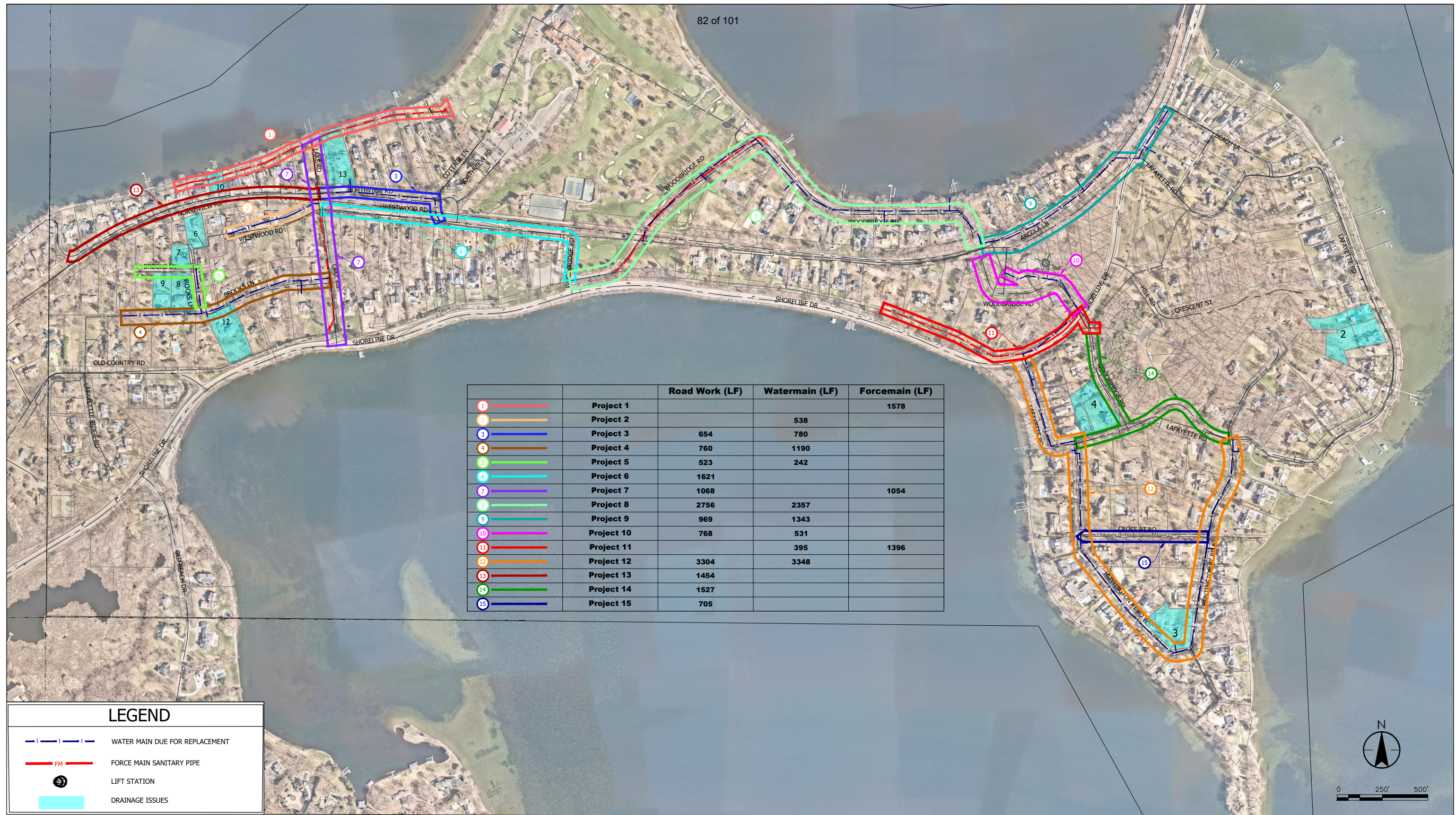


Infrastructure Project List

MINNETONKA BEACH CAPITAL IMPROVEMENT PROJECT PRIORITY LIST

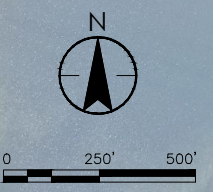
PROJECT NO. 193805540
 THE CITY OF THE VILLAGE OF MINNETONKA BEACH, MINNESOTA
 DECEMBER, 2024

No.	Project Name	Info	Map No.	Street Costs	Watermain Costs	Forcemain Costs	Soft Costs	2024 Estimated Total Project Costs
1	Arcola Lane Street and Utility Improvement Project	Street and utility replacement project from Shoreline Dr - Woodbridge Rd	9	\$760,810.35	\$308,890.00	\$0.00	\$588,335.19	\$1,658,035.54
2	Woodbridge Rd Street and Utility Improvement Project (Public Works)	Street and utility replacement project from Shoreline Dr - Arcola. Includes upsizing of watermain from WTP to Shoreline.	10	\$602,995.20	\$122,130.00	\$0.00	\$398,818.86	\$1,123,944.06
3	Woodbridge Rd Street and Utility Improvement Project (Lafayette Club)	This corridor includes a forcemain that was constructed in 1974 as well as original 1930's water main. Utility replacements would be the driving factor for a full street replacement project as well.	8	\$2,163,873.40	\$542,110.00	\$197,000.00	\$1,596,640.87	\$4,499,624.27
4	Shoreline Drive Forcemain Project	Located in ditch along Shoreline Dr. This project would be a trenchless project such as HDD, pipe bursting or lining	11	\$0.00	\$90,850.00	\$302,000.00	\$216,067.50	\$608,917.50
5	Crystal Bay Force Main	Located in the front yard of the existing homes on Crystal Bay. This project will most likely be a trenchless utility replacement project such as pipe bursting, HDD or lining.	1	\$0.00	\$0.00	\$403,000.00	\$221,650.00	\$624,650.00
6	Westwood Street and Utility Improvement Project	Originally a part of the 2019 Infrastructure project, removed due to budget concerns	2	\$422,410.70	\$123,740.00	\$0.00	\$300,382.89	\$846,533.59
7	Brooks Lane Street and Utility Improvement Project	Portions of this project were included in the 2019 Infrastructure project, includes utility upgrades as well as street improvements	4&5	\$1,007,347.45	\$329,360.00	\$0.00	\$735,189.10	\$2,071,896.55
8	Northview Rd Street and Utility Project	This project includes replacement of existing 1930's water main as well as street reconstruction	3	\$513,488.10	\$179,400.00	\$0.00	\$381,088.46	\$1,073,976.56
9	Northview Rd Street Project	The retaining wall was replaced in the summer of 2024. The street is in rough shape and should be considered for replacement.	13	\$1,141,608.10	\$0.00	\$0.00	\$627,884.46	\$1,769,492.56
10	Lake Road Forcemain and Street Project	Forcemain and street replacement project	7	\$838,540.20	\$0.00	\$284,000.00	\$617,397.11	\$1,739,937.31
11	Westwood Rd Street and Drainage Project	There are no public utilities along this corridor that are due for replacement however due to the potential projects to the west, it should be considered to upgrade the streets along this corridor after the western projects are completed. Possible improvements could include a mill and overlay, reclaim shape and pave or the addition of concrete curb and gutter as well as storm sewer	6	\$1,272,728.15	\$0.00	\$0.00	\$700,000.48	\$1,972,728.63
12	Crosspoint Rd Street Project	There are no utilities up for replacement along this corridor however due to the utility projects in the vicinity, this project should be considered for replacement.	15	\$553,530.75	\$0.00	\$0.00	\$304,441.91	\$857,972.66
13	Huntington Point Rd Street and Utility Improvement Project	This project would include the replacement of the existing 1930's watermain and upgrade the street along this corridor as well	12	\$2,594,135.60	\$770,040.00	\$0.00	\$1,850,296.58	\$5,214,472.18
14	Woodbridge Rd and Lafayette Street Improvement Project	There are no utilities up for replacement along this corridor however due to the utility projects in the vicinity this project should be considered for replacement. There are also existing drainage concerns in the area that would need to be addressed as well.	14	\$1,198,924.05	\$0.00	\$0.00	\$659,408.23	\$1,858,332.28
Total Estimated 2024 Project Costs								\$25,920,513.68



LEGEND

- WATER MAIN DUE FOR REPLACEMENT
- FM FORCE MAIN SANITARY PIPE
- LIFT STATION
- DRAINAGE ISSUES



MINNETONKA BEACH UTILITY STUDY

MINNETONKA BEACH

FIGURE 1



733 Marquette Avenue, Suite 1000
Minneapolis, MN 55402
www.stantec.com

Plot Date: 10/03/2024 - 9:44am
 Drawing name: R:\client\minnetonka_beach.ctb\281\MAP_Card.dwg\2024 Utility Study.dwg
 Xrefs: 281\Parcels_281_Sanitary_Parcel_Annnotations_281_Water

Financial Management Plan

Utility Rate Study

Tax Impact Chart

CITY OF THE VILLAGE OF MINNETONKA BEACH
Financial Management Plan
Capital Projects Fund
Fund 401

		Inflation Assumptions															
1	Revenue (Non-property tax)																
2	Interest Earnings																
3	Expenses																
4	CIP Inflation Factor																

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CAPITAL PROJECTS FUND		Actual				Budget - 2020 - 2024 CIP		Projected								
REVENUE																
5	General Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Intergovernmental	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Charges for Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Interest Earnings	45	198	496	394	1,742	1,918	2,097	2,128	2,160	2,193	2,225	2,259	2,293	2,327	2,362
9	Contributions & Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Miscellaneous Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Total Revenue	45	25,198	496	394	1,742	1,918	2,097	2,128	2,160	2,193	2,225	2,259	2,293	2,327	2,362
EXPENSES																
12	Total Current	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Total Capital Projects (Unless Shown in Detail Below)	95,023	75,552	67,121	1,184,215			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
13a	Parks & Facilities					53,000	12,500									
13b	Streets					55,000	55,000									
13c	Equipment					42,500	-									
13d	Water Improvements					104,000	99,425									
14	Bond Issuance Costs		0		31,094											
15	Total Expenses	95,023	75,552	67,121	1,215,309	254,500	166,925	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
16	Revenues Over / (Under) Expenses	(94,978)	(50,354)	(66,625)	(1,214,915)	(252,758)	(165,007)	(147,903)	(147,872)	(147,840)	(147,807)	(147,775)	(147,741)	(147,707)	(147,673)	(147,638)
OTHER FINANCING SOURCES / (USES)																
17	Bond Proceeds	0	0	0	1,018,629	0	0	0	0	0	0	0	0	0	0	0
18	Sale of Capital Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Transfers In	80,000	65,000	147,800	174,596	264,500	176,925	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
20	Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Total Other Sources / (Uses)	80,000	65,000	147,800	1,193,225	264,500	176,925	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
22	Prior Period Adjustments															
23	Ending Cash Fund Balance	41,991	56,637	137,812	116,122	127,864	139,782	141,879	144,007	146,167	148,360	150,585	152,844	155,137	157,464	159,826

CASH FLOW ANALYSIS

CITY OF THE VILLAGE OF MINNETONKA BEACH
Financial Management Plan
Water Fund
Enterprise Fund

Inflation Assumptions

1	Water revenue increases					3.00%	3.00%	15.00%	15.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2	Revenue (Non-property tax)					2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3	Interest Earnings				1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
4	Expenses					3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5	CIP Inflation Factor					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			ACTUAL				BUDGET	PROJECTED									
WATER FUND																	
OPERATING REVENUE																	
6	Charges for Services		106,716	106,569	116,218	105,903	150,644	155,163	159,818	183,791	211,360	217,701	224,232	230,959	237,888	245,025	252,376
7	Total Operating Revenue		106,716	106,569	116,218	105,903	150,644	155,163	159,818	183,791	211,360	217,701	224,232	230,959	237,888	245,025	252,376
OPERATING EXPENSES																	
8	Personnel Services		20,034	17,497	16,009	14,417	16,414	16,906	17,413	17,935	18,473	19,027	19,598	20,186	20,792	21,416	22,058
9	Supplies		2,068	3,856	5,188	3,032	4,500	4,635	4,774	4,917	5,065	5,217	5,374	5,535	5,701	5,872	6,048
10	Other Services and Charges		36,316	43,727	112,259	40,097	62,236	58,438	60,191	61,997	63,857	65,773	67,746	69,778	71,871	74,027	76,248
11	Depreciation		57,709	57,709	57,729	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355
12	Total Operating Expenses		116,127	122,789	191,185	111,901	137,505	134,334	136,733	139,204	141,750	144,372	147,073	149,854	152,719	155,670	158,709
13	Operating Income/(Loss)		(9,411)	(16,220)	(74,967)	(5,998)	13,139	20,829	23,085	44,587	69,610	73,329	77,159	81,105	85,169	89,355	93,667
NON-OPERATING REVENUES/(EXPENSES)																	
14	Investment Income		16	-	-	11,131	10,031	5,598	5,793	4,913	4,328	4,018	3,023	2,059	1,145	269	(539)
15	Taxes		13,594	5,627	120,946	115,728	-	-	-	-	-	-	-	-	-	-	-
16	Bond Issuance Costs	% of Total	-	-	-	(46,641)	-	-	-	-	-	-	-	-	-	-	-
17	Interest Expense and Other	2012A 20%	(34,930)	(35,105)	(31,013)	(42,865)	(8,057)	(6,700)	(6,298)	(6,946)	(5,474)	(5,001)	(5,579)	(4,040)	(4,552)	(2,985)	(3,405)
18	Interest Expense and Other	2019A 20%	-	-	-	-	(34,482)	(16,768)	(17,104)	(16,398)	(14,600)	(14,852)	(14,062)	(13,230)	(12,356)	(10,632)	(10,957)
19	Interest Expense - Future	2020A 100%	-	-	-	-	-	(10,296)	(19,491)	(19,491)	(19,491)	(19,491)	(19,491)	(19,491)	(19,491)	(19,491)	(19,491)
20	Interest Expense - Future	2023A 20%	-	-	-	-	-	-	-	-	(7,451)	(14,681)	(14,681)	(14,681)	(14,681)	(14,681)	(14,681)
21	Transfers In / (Out)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	TOTAL NON-OPERATING REVENUES/(EXPENSES)		(21,320)	(29,478)	89,933	37,353	(32,508)	(28,165)	(37,100)	(37,923)	(42,688)	(50,008)	(50,790)	(49,384)	(49,935)	(47,519)	(49,073)
23	Capital Contribution		-	-	-	(101,937)	-	-	-	-	-	-	-	-	-	-	-
24	Prior Period Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Ending Net Position		663,894	618,196	633,162	562,580	543,211	535,875	521,860	528,525	555,447	578,768	605,137	636,858	672,092	713,928	758,522
CIP FUNDING																	
26	Capital Projects		-	-	-	(1,177,681)	(314,531)	-	-	-	-	-	-	-	-	-	-
27	Bond Proceeds	% of Total	-	-	-	1,538,853	-	-	-	-	-	-	-	-	-	-	-
28	Total Existing Bond Payments - Princ.	2012A 20%	(45,000)	(50,000)	(55,000)	(80,000)	(16,000)	(17,000)	(17,000)	(17,000)	(18,000)	(18,000)	(18,000)	(19,000)	(19,000)	(20,000)	(20,000)
29	Total Existing Bond Payments - Princ.	2019A 20%	-	-	-	-	-	(17,000)	(17,000)	(18,000)	(19,000)	(19,000)	(20,000)	(21,000)	(22,000)	(23,000)	(23,000)
30	Total Future Bond Payments - Princ.	2020A 100%	-	-	-	-	-	-	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
31	Total Future Bond Payments - Princ.	2023A 20%	-	-	-	-	-	-	-	-	-	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)	(42,000)
CASH RECONCILIATION																	
32	Beginning Cash		347,754	331,665	288,648	315,669	668,731	373,186	386,205	327,545	288,565	267,842	201,518	137,242	76,318	17,907	(35,902)
33	Add: Operating Income/(Loss) (Line 13)		(9,411)	(16,220)	(74,967)	(5,998)	13,139	20,829	23,085	44,587	69,610	73,329	77,159	81,105	85,169	89,355	93,667
34	Add: Depreciation (Line 11)		57,709	57,709	57,729	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355	54,355
35	Add: Net Non-Operating (Line 22)		(21,320)	(29,478)	89,933	37,353	(32,508)	(28,165)	(37,100)	(37,923)	(42,688)	(50,008)	(50,790)	(49,384)	(49,935)	(47,519)	(49,073)
36	Add: Capital and Bond (Lines 26 - 31)		(45,000)	(50,000)	(55,000)	281,172	(330,531)	(34,000)	(99,000)	(100,000)	(102,000)	(144,000)	(145,000)	(147,000)	(148,000)	(150,000)	(150,000)
37	Net Change in Cash Flows		(375)	750	(2,292)	(4,056)	-	-	-	-	-	-	-	-	-	-	-
38	Net Change in Balance Sheet		2,308	(5,778)	11,618	(9,764)	-	-	-	-	-	-	-	-	-	-	-
39	Ending Cash		331,665	288,648	315,669	668,731	373,186	386,205	327,545	288,565	267,842	201,518	137,242	76,318	17,907	(35,902)	(86,953)
40	Targeted Minimum Working Capital		114,314	118,553	189,593	87,312	109,338	181,883	184,025	191,440	241,723	243,822	244,802	246,829	246,970	249,191	231,129
41	Over / (Under) Target		217,351	170,095	126,076	581,419	263,848	204,323	143,521	97,124	26,119	(42,304)	(107,560)	(170,511)	(229,063)	(285,094)	(318,082)

\$314,531 not in 2020 budget, represents remainder of 2019A Bond Proceeds



	Water														
	2019	Actual	2021	Budget	Budget	Projected									
		2020		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rates Inflation					15.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Expense growth - operating					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expense growth - personnel					5.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expense growth - MCES					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning net assets	633,162	562,580	648,731	656,247	557,756	681,094	1,017,738	1,484,988	1,983,235	2,505,832	3,069,669	3,679,391	4,340,121	5,057,791	5,838,957
Operating Revenues															
Water revenues	105,903	174,344	186,982	162,860	344,812	378,708	415,965	456,917	501,931	551,414	605,809	665,606	731,344	803,614	883,068
Sanitary sewer revenues			0	0	0	0	0	0	0	0	0	0	0	0	0
Penalties and other															
Total Operating Revenues	105,903	174,344	186,982	162,860	344,812	378,708	415,965	456,917	501,931	551,414	605,809	665,606	731,344	803,614	883,068
Operating Expenses															
Personnel Services	14,417	16,478	17,411	20,536	23,449	24,621	25,606	26,631	27,696	28,804	29,956	31,154	32,400	33,696	35,044
Other	40,097	88,847	78,111	88,000	51,200	53,760	56,448	59,270	62,234	65,346	68,613	72,044	75,646	79,428	83,399
Materials and supplies	3,032	5,324	1,589	4,500	4,650	4,883	5,127	5,383	5,652	5,935	6,231	6,543	6,870	7,214	7,574
Water purchases			9,740	7,800	7,800	8,190	8,600	9,029	9,481	9,955	10,453	10,975	11,524	12,100	12,705
MCES					0	0	0	0	0	0	0	0	0	0	0
Depreciation	54,355	93,877	95,085	95,085	99,839	104,831	110,073	115,576	121,355	127,423	133,794	140,484	147,508	154,883	162,628
Total Operating Expenses	111,901	204,526	201,936	215,921	186,938	196,285	205,853	215,890	226,418	237,462	249,047	261,200	273,948	287,322	301,351
Net Operations	(5,998)	(30,182)	(14,954)	(53,061)	157,873	182,423	210,112	241,027	275,513	313,952	356,762	404,406	457,395	516,292	581,717
Non operating revenues (expenses)															
Investment Income (Loss)	11,131	1,730	886		10,824	91,743	19,318	16,745	3,883	3,855	4,234	5,109	6,554	8,548	11,160
Property taxes-existing debt	115,728	165,190	162,334	0	0	0	0	0	0	0	0	0	0	0	0
Property taxes-new debt						105,318	278,041	278,041	278,041	278,041	278,041	278,041	278,041	278,041	278,041
Interest on existing debt	(42,865)	(95,325)	(97,143)	(45,430)	(45,360)	(42,840)	(40,220)	(37,565)	(34,840)	(32,010)	(29,315)	(26,825)	(24,320)	(21,715)	(19,280)
Intergovernmental															
Other income (expense)		526													
Capital contribution	(101,937)														
Bond issue costs	(46,641)	(53,819)	(43,607)												
Transfers in		98,031													
Transfers out-															
Special assessments															
Gain (loss) on disposal of asset															
Transfers out					0	0	0	0	0	0	0	0	0	0	0
Total non operating revenue (expenses)	(64,584)	116,333	22,470	(45,430)	(34,536)	154,221	257,138	257,221	247,084	249,886	252,960	256,325	260,275	264,874	269,921
Net increase (decrease) in resources	(70,582)	86,151	7,516	(98,491)	123,338	336,644	467,250	498,248	522,597	563,837	609,721	660,731	717,670	781,166	851,638
Change in accounting principle															
Ending net assets	562,580	648,731	656,247	557,756	681,094	1,017,738	1,484,988	1,983,235	2,505,832	3,069,669	3,679,391	4,340,121	5,057,791	5,838,957	6,690,595



	Water														
	2019	Actual		Budget 2022	Budget 2023	Projected									
		2020	2021			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rates Inflation					15.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Expense growth - operating					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expense growth - personnel					5.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expense growth - MCES					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CIP Funding															
Purchase of Capital Assets	(1,177,681)	(978,002)	(997,607)	(35,650)	(607,220)	(6,050,500)	(11,025)	(11,576)	(12,155)	(12,763)	(13,401)	(14,071)	(22,162)	(23,270)	(24,433)
Interfund loan															
Bond Proceeds	1,481,302	1,358,686	1,223,677		2,500,000	4,100,000									
2012A bonds				(1,058,927)											
Unspent bond proceeds															
Bond P&I - Future						(200,606)	(200,606)	(200,606)	(200,606)	(200,606)	(200,606)	(200,606)	(200,606)	(200,606)	(200,606)
Bond P&I - Future						(328,995)	(328,995)	(328,995)	(328,995)	(328,995)	(328,995)	(328,995)	(328,995)	(328,995)	(328,995)
Bond P&I - Future															
Bond Prin - Existing	(80,000)	(80,000)	(135,633)	(72,000)	(93,000)	(101,000)	(101,000)	(103,000)	(105,000)	(111,000)	(113,000)	(113,000)	(114,000)	(122,000)	(96,000)
Beginning Cash-Restricted and Unrestricted	315,669	668,731	1,229,580	480,595	270,612	2,293,569	482,938	418,634	388,281	385,477	423,373	510,887	655,429	854,844	1,116,022
Add net operations	(5,998)	(30,182)	(14,954)	(53,061)	157,873	182,423	210,112	241,027	275,513	313,952	356,762	404,406	457,395	516,292	581,717
Add back depreciation	54,355	93,877	95,085	95,085	99,839	104,831	110,073	115,576	121,355	127,423	133,794	140,484	147,508	154,883	162,628
Add net non operating	83,994	170,152	66,077	(45,430)	(34,536)	154,221	257,138	257,221	247,084	249,886	252,960	256,325	260,275	264,874	269,921
Add capital and bond	223,621	300,684	90,437	(1,166,577)	1,799,780	(2,252,106)	(641,626)	(644,177)	(646,756)	(653,364)	(656,002)	(656,672)	(665,763)	(674,871)	(650,034)
Net change in balance sheet items	(2,910)	26,318	(25,630)			0	0	0	0	0	0	0	0	0	0
Restricted cash		(206,688)	(960,000)	960,000											
Other investments															
Ending Cash-Unrestricted	668,731	1,022,892	480,595	270,612	2,293,569	482,938	418,634	388,281	385,477	423,373	510,887	655,429	854,844	1,116,022	1,480,253
Ending net assets	562,580	1,022,892	656,247	557,756	681,094	1,017,738	1,484,988	1,983,235	2,505,832	3,069,669	3,679,391	4,340,121	5,057,791	5,838,957	6,690,595
Target minimum working capital	(244,734)	11,826	1,267,545	(1,691,820)	2,345,576	739,769	747,104	754,701	766,573	774,733	781,196	796,363	811,845	793,695	800,710
Actual working capital-cash balance	668,731	1,022,892	480,595	270,612	2,293,569	482,938	418,634	388,281	385,477	423,373	510,887	655,429	854,844	1,116,022	1,480,253
Over (Under) target working capital	913,465	1,011,066	(786,950)	1,962,432	(52,006)	(256,831)	(328,470)	(366,420)	(381,096)	(351,360)	(270,309)	(140,934)	42,999	322,327	



	Sanitary Sewer														
	Actual			Budget	Budget	Projected									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rates Inflation					5.00%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Expense growth - operating					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expense growth - personnel					5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expense growth - MCES					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning net assets	147,947	282,792	268,807	292,896	286,230	276,792	266,493	255,216	242,888	229,433	214,829	198,994	181,837	163,264	143,056
Operating Revenues															
Water revenues			0	0	0	0	0	0	0	0	0	0	0	0	0
Sanitary sewer revenues	81,284	79,938	91,343	96,193	101,003	105,548	110,297	115,261	120,448	125,868	131,532	137,451	143,636	150,100	156,854
Penalties and other															
Total Operating Revenues	81,284	79,938	91,343	96,193	101,003	105,548	110,297	115,261	120,448	125,868	131,532	137,451	143,636	150,100	156,854
Operating Expenses															
Personnel Services	6,277	7,791	8,671	10,657	12,102	12,586	13,090	13,613	14,158	14,724	15,313	15,925	16,562	17,225	17,914
Other	18,301	27,022	27,356	28,000	33,000	34,650	36,383	38,202	40,112	42,117	44,223	46,434	48,756	51,194	53,754
Materials and supplies					0	0	0	0	0	0	0	0	0	0	0
Water purchases					0	0	0	0	0	0	0	0	0	0	0
MCES	55,097	57,907	51,307	50,050	51,662	54,245	56,957	59,805	62,795	65,935	69,232	72,694	76,328	80,145	84,152
Depreciation	544	13,371	14,152	14,152	14,860	15,603	16,383	17,202	18,062	18,965	19,913	20,909	21,954	23,052	24,205
Total Operating Expenses	80,219	106,091	101,486	102,859	111,624	117,084	122,812	128,822	135,127	141,742	148,681	155,962	163,601	171,616	180,024
Net Operations	1,065	(26,153)	(10,143)	(6,666)	(10,621)	(11,536)	(12,515)	(13,561)	(14,679)	(15,874)	(17,150)	(18,512)	(19,965)	(21,516)	(23,170)
Non operating revenues (expenses)															
Investment Income (Loss)					1,183	1,237	1,238	1,233	1,224	1,270	1,314	1,355	1,392	1,308	1,212
Property taxes-existing debt															
Property taxes-new debt															
Interest on existing debt					0	0	0	0	0	0	0	0	0	0	0
Intergovernmental			31,747												
Other income (expense)		448	2,485												
Capital contribution															
Bond issue costs															
Transfers in		11,720													
Transfers out-															
Special assessments															
Gain (loss) on disposal of asset															
Transfers out	133,780				0	0	0	0	0	0	0	0	0	0	0
Total non operating revenue (expenses)	133,780	12,168	34,232	0	1,183	1,237	1,238	1,233	1,224	1,270	1,314	1,355	1,392	1,308	1,212
Net increase (decrease) in resources	134,845	(13,985)	24,089	(6,666)	(9,438)	(10,299)	(11,277)	(12,328)	(13,455)	(14,604)	(15,836)	(17,157)	(18,573)	(20,208)	(21,958)
Change in accounting principle															
Ending net assets	282,792	268,807	292,896	286,230	276,792	266,493	255,216	242,888	229,433	214,829	198,994	181,837	163,264	143,056	121,098



Sanitary Sewer															
	Actual			Budget	Budget	Projected									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rates Inflation					5.00%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Expense growth - operating					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expense growth - personnel					5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Expense growth - MCES					5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
CIP Funding															
Purchase of Capital Assets	(184,895)	(11,720)	(24,114)	0	0	(5,250)	(5,513)	(5,788)	0	0	0	0	(11,820)	(12,411)	(13,031)
Interfund loan															
Bond Proceeds															
2012A bonds															
Unspent bond proceeds															
Bond P&I - Future						0	0	0	0	0	0	0	0	0	0
Bond P&I - Future							0	0	0	0	0	0	0	0	0
Bond P&I - Future															
Bond Prin - Existing					0	0	0	0	0	0	0	0	0	0	0
Beginning Cash-Restricted and Unrestrict	110,578	60,276	98,208	110,790	118,276	123,698	123,751	123,345	122,431	127,037	131,398	135,476	139,228	130,790	121,223
Add net operations	1,065	(26,153)	(10,143)	(6,666)	(10,621)	(11,536)	(12,515)	(13,561)	(14,679)	(15,874)	(17,150)	(18,512)	(19,965)	(21,516)	(23,170)
Add back depreciation	544	13,371	14,152	14,152	14,860	15,603	16,383	17,202	18,062	18,965	19,913	20,909	21,954	23,052	24,205
Add net non operating	133,780	12,168	34,232	0	1,183	1,237	1,238	1,233	1,224	1,270	1,314	1,355	1,392	1,308	1,212
Add capital and bond	(184,895)	(11,720)	(24,114)	0	0	(5,250)	(5,513)	(5,788)	0	0	0	0	(11,820)	(12,411)	(13,031)
Net change in balance sheet items	(796)	50,266	(1,545)				0	0	0	0	0	0	0	0	0
Restricted cash															
Other investments															
Ending Cash-Unrestricted	60,276	98,208	110,790	118,276	123,698	123,751	123,345	122,431	127,037	131,398	135,476	139,228	130,790	121,223	110,439
Ending net assets	282,792	268,807	292,896	286,230	276,792	266,493	255,216	242,888	229,433	214,829	198,994	181,837	163,264	143,056	121,098
Target minimum working capital	51,830	77,160	50,743	51,430	61,062	64,054	67,194	64,411	67,563	70,871	74,341	89,801	94,211	98,839	103,043
Actual working capital-cash balance	60,276	98,208	110,790	118,276	123,698	123,751	123,345	122,431	127,037	131,398	135,476	139,228	130,790	121,223	110,439
Over (Under) target working capital	8,447	21,049	60,047	66,847	62,636	59,697	56,151	58,020	59,474	60,528	61,135	49,428	36,579	22,384	7,396

**Village of Minnetonka Beach
Utility Rate Study Capital Improvement Plan**



Construction 11%
 Inflation Rate 5%
 Year Inflation Begins 2023

Capital Project	Project Number	Project Year	Cost	Water													
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Iron filter media replacement			85,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Existing Plant Repairs		2023	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-	-	-
Water meter head replacements		2023	9,720	-	-	9,720	-	-	-	-	-	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2023	10,000	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2024	10,000	-	-	-	10,500	-	-	-	-	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2025	10,000	-	-	-	-	11,025	-	-	-	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2026	10,000	-	-	-	-	-	11,576	-	-	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2027	10,000	-	-	-	-	-	-	12,155	-	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2028	10,000	-	-	-	-	-	-	-	12,763	-	-	-	-	-	-
Water Hydrant Replacements City Wide		2029	10,000	-	-	-	-	-	-	-	-	13,401	-	-	-	-	-
Water Hydrant Replacements City Wide		2030	10,000	-	-	-	-	-	-	-	-	-	14,071	-	-	-	-
Diffuser for hydrant flushing		2023	2,500	-	-	2,500	-	-	-	-	-	-	-	-	-	-	-
WTP-const		2024	6,040,000	-	-	-	6,040,000	-	-	-	-	-	-	-	-	-	-
WTP-engineering		2023	560,000	-	-	560,000	-	-	-	-	-	-	-	-	-	-	-
Placeholder		2031	15,000	-	-	-	-	-	-	-	-	-	-	22,162	-	-	-
Placeholder		2032	15,000	-	-	-	-	-	-	-	-	-	-	-	23,270	-	-
Placeholder		2033	15,000	-	-	-	-	-	-	-	-	-	-	-	-	24,433	-
Total Capital Projects				0	-	607,220	6,050,500	11,025	11,576	12,155	12,763	13,401	14,071	22,162	23,270	24,433	

Capital Project	Project Number	Project Year	Cost	Sanitary Sewer													
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Lift station upgrade		2024	5,000	-	-	-	5,250	-	-	-	-	-	-	-	-	-	-
Lift station upgrade		2025	5,000	-	-	-	-	5,513	-	-	-	-	-	-	-	-	-
Lift station upgrade		2026	5,000	-	-	-	-	-	5,788	-	-	-	-	-	-	-	-
Placeholder		2031	8,000	-	-	-	-	-	-	-	-	-	-	11,820	-	-	-
Placeholder		2032	8,000	-	-	-	-	-	-	-	-	-	-	-	12,411	-	-
Placeholder		2033	8,000	-	-	-	-	-	-	-	-	-	-	-	-	13,031	-
				-	-	-	-	-	-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Projects				0	0	0	5250	5512.5	5788.125	0	0	0	0	11819.64	12410.63	13031.16	

City of the Village of Minnetonka Beach

2945 Westwood Road - P.O. Box 146

Minnetonka Beach, MN 55361

www.ci.minnetonka-beach.mn.us

952-471-8878

Dear Resident,

February 19, 2025

As an enhanced commitment to resident communication, this is the third Mayor's letter providing an update on the new water treatment plant project. As you may recall, you received similar update letters in February 2023, and July 2024.

For decades, Minnetonka Beach, like other Lake Minnetonka cities, chose to keep City fees and property taxes low for residents over building reserves for future City infrastructure replacement projects.

In 2020, our City realized that replacing aged infrastructure including watermains (30,000 feet of them originally installed in the 1930's), the water tower (constructed in 1928), and water treatment plant (constructed in 1958) was needed in order to continue meeting the requirements for providing clean and safe water to residents. Five years ago, every one of those utilities was well past their expected service life. In 2023, treatment for PFAS (Forever Chemicals) became a necessary addition to the new water treatment plant. When construction was underway for the new plant in 2024, the City learned that upon inspection, two new wells are required, replacing the two existing wells constructed in 1958 and out of MN Department of Health compliance standards for continued long-term use.

The costs for these infrastructure projects are staggering for our community of only 228 homes. Between 2020 and 2025, the City of Minnetonka Beach will have issued \$17.9 million in Municipal Bonds to fund these projects. These bonds come with an associated annual debt service for the City of \$1.3 million which is funded by water usage fees, a water treatment plant fee collected on residents' quarterly utility bills, and resident property tax levy.

Our present situation would be much different had the City started building reserves 20 years ago for future infrastructure replacement, and if the City had been awarded state funding over the last five years. However, as we must focus on the current state of the City today, we are faced with no choice but to implement the fully vetted recommendations presented by our various financial, engineering, public works, committee and commission experts, and approved by the City Council in December of 2024.

Although revenues from water usage and the water treatment plant fee kept up with debt service and existing plant operational costs through 2024, that is no longer the case for 2025 and beyond. Accordingly, residents using the City average of 120,000 gallons of Minnetonka Beach water annually, will pay approximately \$1400 per year more for water usage and water treatment plant fees over four quarters of utility billing. The usage rate for those homes using Minnetonka Beach water increased January 1st to \$13.40 per thousand gallons. The water treatment plant fee (assessed only to those homes using Minnetonka Beach water) increased to \$335 per quarter this year. The 19 homes supplied water by Orono are subject to Orono's water-related rates and fees.

Another component of increased infrastructure project funding will affect resident property taxes. A home with a Hennepin County valuation of \$2 million will see an increase of approximately \$1800 in annual property tax billings beginning in 2026 for the new water treatment plant. Please see the attached chart showing the approximate property tax impact for homes valued between \$1 million - \$10 million. The increase in both water-related utility billing and property taxes will be in place for the next 23 years. Water usage rates and tax levies are subject to change.

As the impact of the replacement of the City's water delivery system has warranted frequent resident communication, you will receive important and pertinent messaging in the future.

Respectfully,



Joe Pagano, Mayor

City of the Village of Minnetonka Beach, Minnesota						
Estimated Series 2025A Bond Property Tax Impacts						
February 4, 2025						
	divided by:	equals:				
Estimated	City Net	New Debt				
<u>New Debt Levy</u>	<u>Tax Capacity</u>	<u>Tax Cap Rate</u>	Minnetonka Beach Estimated Tax Levy by			
615,000	6,889,368	8.93%	Home Valuation for Water Treatment Plant			2/19/2025
	less:	equals:	times:	equals:	times:	equals:
Estimated	Market Value	Taxable	Classification	Net Tax	New Debt	Estimated
<u>Market Value</u>	<u>Exclusion</u>	<u>Market Value</u>	<u>Rate</u>	<u>Capacity</u>	<u>Tax Cap Rate</u>	<u>Tax Impact</u>
1,000,000	-	1,000,000	1.00%	10,000	8.93%	893
2,000,000	-	2,000,000	1.00%	20,000	8.93%	1,785
3,000,000	-	3,000,000	1.00%	30,000	8.93%	2,678
4,000,000	-	4,000,000	1.00%	40,000	8.93%	3,571
5,000,000	-	5,000,000	1.00%	50,000	8.93%	4,463
6,000,000	-	6,000,000	1.00%	60,000	8.93%	5,356
7,000,000	-	7,000,000	1.00%	70,000	8.93%	6,249
8,000,000	-	8,000,000	1.00%	80,000	8.93%	7,141
9,000,000	-	9,000,000	1.00%	90,000	8.93%	8,034
10,000,000	-	10,000,000	1.00%	100,000	8.93%	8,927
Highlighted line above is an example for \$2 million value home.						

	Loan \$	Int Rate	Principal	Annual Debt Service	Total P&I
7 yr Bank Loan	\$ 500,000	5.00%	\$ 71,429	\$ 86,410	\$ 604,869
7 yr Bank Loan	\$ 1,000,000	5.00%	\$ 142,857	\$ 172,820	\$ 1,209,739
7 yr Bank Loan	\$ 750,000	5.00%	\$ 107,143	\$ 129,615	\$ 907,304
20yr Bond	\$ 1,666,667	4.25%	\$ 83,333	\$ 125,366	\$ 2,507,328
20yr Bond	\$ 3,333,333	4.25%	\$ 166,667	\$ 250,733	\$ 5,014,656

We have \$500,000 in general levy reserves to fund soft costs that allows for \$1.67MM request

We could borrow money from a bank and be able to request additional funding

	Soft Cost %	Request Amt
No borrowing	\$ 500,000	30% \$ 1,666,667
\$500k borrowing	\$ 1,000,000	30% \$ 3,333,333
\$1MM borrowing	\$ 1,500,000	30% \$ 5,000,000

	Soft Cost %	Request Amt
No borrowing	\$ 500,000	25% \$ 2,000,000
\$500k borrowing	\$ 1,000,000	25% \$ 4,000,000
\$1MM borrowing	\$ 1,250,000	25% \$ 5,000,000

Old Business

MONTH	STANTEC	MBI	PFAS	WELLS	INDIRECT COSTS	MONTHLY TOTAL	RUNNING TOTAL	BOND PERCENTAGE	NOTES
Dec-22						\$0.00	\$0.00	0.00%	
Jan-23	\$1,164.25					\$1,164.25	\$1,164.25	0.02%	
Feb-23	\$5,442.25					\$5,442.25	\$6,606.50	0.13%	
Mar-23	\$356.00					\$356.00	\$6,962.50	0.14%	
Apr-23	\$6,802.00					\$6,802.00	\$13,764.50	0.28%	
May-23	\$668.85					\$668.85	\$14,433.35	0.29%	
Jun-23	\$1,193.00					\$1,193.00	\$15,626.35	0.31%	
Jul-23	\$5,390.21					\$5,390.21	\$21,016.56	0.42%	
Aug-23	\$4,068.20					\$4,068.20	\$25,084.76	0.50%	
Nov-23	\$17,347.25					\$17,347.25	\$42,432.01	0.85%	
Dec-23	\$114,882.60					\$114,882.60	\$157,314.61	3.15%	
Jan-24	\$102,920.90					\$102,920.90	\$260,235.51	5.20%	
Feb-24	\$69,797.64					\$69,797.64	\$330,033.15	6.60%	
Mar-24	\$82,473.50					\$82,473.50	\$412,506.65	8.25%	
Apr-24	\$233,356.18					\$233,356.18	\$645,862.83	12.92%	
May-24	\$95,570.20					\$95,570.20	\$741,433.03	14.83%	
Jun-24	\$14,557.25				\$13,673.08	\$28,230.33	\$769,663.36	15.39%	
Jul-24	\$17,863.75				\$13,673.08	\$31,536.83	\$801,200.18	16.02%	
Aug-24	\$31,076.19	\$273,648.71			\$13,673.08	\$318,397.97	\$1,119,598.16	22.39%	
Sep-24	\$31,469.33	\$207,898.18			\$13,673.08	\$253,040.59	\$1,372,638.74	27.45%	
Oct-24	\$37,389.70	\$812,815.01			\$13,673.08	\$863,877.79	\$2,236,516.53	44.73%	
Nov-24	\$27,313.46	\$590,280.13			\$13,673.08	\$631,266.66	\$2,867,783.20	57.36%	
Dec-24	\$39,485.00	\$732,115.23			\$13,673.08	\$785,273.31	\$3,653,056.50	73.06%	
Jan-25	\$21,323.24	\$404,681.81			\$13,673.08	\$439,678.12	\$4,092,734.63	81.85%	
Feb-25	\$12,365.75	\$107,520.52			\$13,673.08	\$133,559.34	\$4,226,293.97	84.53%	
Mar-25	\$12,390.50	\$302,559.95	\$0.00		\$13,673.08	\$328,623.53	\$4,554,917.50	91.10%	
Apr-25	\$34,539.36	\$400,474.89	\$62,111.50		\$13,673.08	\$510,798.82	\$5,065,716.32	101.31%	
May-25	\$34,539.36	\$400,474.89	-\$18,633.45		\$13,673.08	\$430,053.88	\$5,495,770.20	109.92%	
Jun-25	\$34,539.36	\$400,474.89	\$409,935.89		\$13,673.08	\$858,623.22	\$6,354,393.41	127.09%	
Jul-25	\$34,539.36	\$400,474.89	-\$285,712.89		\$13,673.08	\$162,974.43	\$6,517,367.85	130.35%	
Aug-25	\$34,539.36	\$400,474.89	\$14,056.81		\$13,673.08	\$462,744.14	\$6,980,111.98	139.60%	
Sep-25	\$34,539.36	\$400,474.89	-\$50,996.81		\$13,673.08	\$397,690.52	\$7,377,802.50	147.56%	
Oct-25	\$34,539.36	\$400,474.89			\$13,673.08	\$448,687.33	\$7,826,489.82	156.53%	
Nov-25	\$34,539.36	\$400,474.89		\$47,500.00	\$13,673.08	\$496,187.33	\$8,322,677.15	166.45%	
Dec-25	\$34,539.36	\$400,474.89		\$101,166.45	\$13,673.08	\$549,853.78	\$8,872,530.92	177.45%	
Jan-26	\$34,539.36	\$400,474.89		\$101,166.45	\$13,673.08	\$549,853.78	\$9,422,384.70	188.45%	
Feb-26	\$34,539.36	\$400,474.89		\$101,166.45	\$13,673.08	\$549,853.78	\$9,972,238.47	199.44%	
Mar-26	\$34,539.36	\$400,474.89		\$101,166.45	\$13,673.08	\$549,853.78	\$10,522,092.25	210.44%	
Apr-26	\$34,539.36	\$400,474.89		\$101,166.45	\$13,673.08	\$549,853.78	\$11,071,946.02	221.44%	
May-26	\$34,539.36	\$400,474.89		\$135,613.75	\$13,673.08	\$584,301.08	\$11,656,247.10	233.12%	
Jun-26	\$34,539.36	\$400,474.89			\$13,673.08	\$448,687.33	\$12,104,934.42	242.10%	
Jul-26	\$34,539.36	\$918,323.19			\$13,673.08	\$966,535.63	\$13,071,470.05	261.43%	
SUM CHECK	\$1,539,297.00	\$10,356,966.00	\$130,761.05	\$688,946.00	\$355,500.00	\$13,071,470.05			
GRAND TOTAL CHECK		\$13,071,470.05							

STANTEC	MONTH	INVOICE DATE	RUNNING			
			AMOUNT	TOTAL		
	Dec-22	12/19/2022	\$1,164.25	\$1,164.25		
	Jan-23	2/21/2023	\$5,442.25	\$6,606.50	TOTAL ENGINEERING	\$756,000.00
	Feb-23	2/21/2023	\$356.00	\$6,962.50	TOTAL CONSTRUCTION ADMIN	\$456,297.00
	Mar-23	3/20/2023	\$6,802.00	\$13,764.50	TOTAL CONSTRUCTION ADMIN CONTINGENCY	\$220,000.00
	Apr-23	4/17/2023	\$668.85	\$14,433.35	TOTAL WELL ENGINEERING	\$65,500.00
	May-23	5/12/2023	\$1,193.00	\$15,626.35	TOTAL WELL CONSTRUCTION ADMIN	\$41,500.00
	Jun-23	7/3/2023	\$5,390.21	\$21,016.56	GRAND TOTAL	\$1,539,297.00
	Jul-23	7/14/2023	\$4,068.20	\$25,084.76		
	Aug-23	8/21/2023	\$17,347.25	\$42,432.01	CURRENT RUNNING TOTAL	\$986,667.20
	Nov-23	11/27/2023	\$114,882.60	\$157,314.61	MONTHS REMAINING	16
	Dec-23	12/22/2023	\$102,920.90	\$260,235.51	AVERAGE MONTHLY PAYMENT REMAINING	\$34,539.36
	Jan-24	1/29/2024	\$69,797.64	\$330,033.15		
	Feb-24	2/29/2024	\$82,473.50	\$412,506.65		
	Mar-24	3/21/2024	\$233,356.18	\$645,862.83		
	Apr-24	4/16/2024	\$95,570.20	\$741,433.03		
	May-24	5/29/2024	\$14,557.25	\$755,990.28		
	Jun-24	7/15/2024	\$17,863.75	\$773,854.03		
	Jul-24	8/2/2024	\$31,076.19	\$804,930.22		
	Aug-24	8/29/2024	\$31,469.33	\$836,399.55		
	Sep-24	10/8/2024	\$37,389.70	\$873,789.25		
	Oct-24	10/29/2024	\$27,313.46	\$901,102.71		
	Nov-24	12/6/2024	\$39,485.00	\$940,587.71		
	Dec-24	1/7/2025	\$21,323.24	\$961,910.95	1/7 and 12/19	
	Jan-25	1/31/2025	\$12,365.75	\$974,276.70		
	Feb-25	2/25/2025	\$12,390.50	\$986,667.20		
	Mar-25		\$34,539.36	\$1,021,206.56		
	Apr-25		\$34,539.36	\$1,055,745.93		
	May-25		\$34,539.36	\$1,090,285.29		
	Jun-25		\$34,539.36	\$1,124,824.65		
	Jul-25		\$34,539.36	\$1,159,364.01		
	Aug-25		\$34,539.36	\$1,193,903.38		
	Sep-25		\$34,539.36	\$1,228,442.74		
	Oct-25		\$34,539.36	\$1,262,982.10		
	Nov-25		\$34,539.36	\$1,297,521.46		
	Dec-25		\$34,539.36	\$1,332,060.83		
	Jan-26		\$34,539.36	\$1,366,600.19		
	Feb-26		\$34,539.36	\$1,401,139.55		
	Mar-26		\$34,539.36	\$1,435,678.91		
	Apr-26		\$34,539.36	\$1,470,218.28		
	May-26		\$34,539.36	\$1,504,757.64		
	Jun-26		\$34,539.36	\$1,539,297.00		

MBI	Pay Application	Date	Work Complete	Retainage	Previous		Payment Total	Percent Complete
					Payments			
	1	7/31/2024	\$288,051.27	\$14,402.56		0	\$273,648.71	2.78%
	2	8/31/2024	\$506,891.46	\$25,344.57	\$273,648.71		\$207,898.18	4.89%
	3	9/30/2024	\$1,362,486.21	\$68,124.31	\$481,546.89		\$812,815.01	13.16%
	4	10/31/2024	\$1,983,833.71	\$99,191.69	\$1,294,361.90		\$590,280.13	19.15%
	5	11/30/2024	\$2,754,481.32	\$137,724.07	\$1,884,642.02		\$732,115.23	26.60%
	6	12/31/2024	\$3,180,462.17	\$159,023.11	\$2,616,757.25		\$404,681.81	30.71%
	7	1/31/2025	\$3,293,641.66	\$164,682.08	\$3,021,439.06		\$107,520.52	31.80%
	8	2/28/2025	\$3,612,125.82	\$180,606.29	\$3,128,959.58		\$302,559.95	34.88%
	9	3/31/2025	\$4,033,678.33	\$201,683.92	\$3,431,519.53		\$400,474.89	38.95%
	10	4/30/2025	\$4,455,230.84	\$222,761.54	\$3,831,994.41		\$400,474.89	43.02%
	11	5/31/2025	\$4,876,783.35	\$243,839.17	\$4,232,469.30		\$400,474.89	47.09%
	12	6/30/2025	\$5,298,335.87	\$264,916.79	\$4,632,944.19		\$400,474.89	51.16%
	13	7/31/2025	\$5,719,888.38	\$285,994.42	\$5,033,419.07		\$400,474.89	55.23%
	14	8/31/2025	\$6,141,440.89	\$307,072.04	\$5,433,893.96		\$400,474.89	59.30%
	15	9/30/2025	\$6,562,993.40	\$328,149.67	\$5,834,368.84		\$400,474.89	63.37%
	16	10/31/2025	\$6,984,545.91	\$349,227.30	\$6,234,843.73		\$400,474.89	67.44%
	17	11/30/2025	\$7,406,098.42	\$370,304.92	\$6,635,318.61		\$400,474.89	71.51%
	18	12/31/2025	\$7,827,650.93	\$391,382.55	\$7,035,793.50		\$400,474.89	75.58%
	19	1/31/2026	\$8,249,203.44	\$412,460.17	\$7,436,268.39		\$400,474.89	79.65%
	20	2/28/2026	\$8,670,755.96	\$433,537.80	\$7,836,743.27		\$400,474.89	83.72%
	21	3/31/2026	\$9,092,308.47	\$454,615.42	\$8,237,218.16		\$400,474.89	87.79%
	22	4/30/2026	\$9,513,860.98	\$475,693.05	\$8,637,693.04		\$400,474.89	91.86%
	23	5/31/2026	\$9,935,413.49	\$496,770.67	\$9,038,167.93		\$400,474.89	95.93%
	24	6/30/2026	\$10,356,966.00	\$517,848.30	\$9,438,642.81		\$918,323.19	100.00%
Total							\$10,356,966.00	

Base Bid	\$10,076,966.00	Payments Remaining	16
Change Order 1	\$27,085.11	AVERAGE MONTHLY PAYMENT REMAINING	\$421,552.51
Change Order 2	\$29,099.78		
Change Order 3	\$3,218.96		
Remaining Change Order	\$220,596.15		
Total	\$10,356,966.00		

PFAS	Pay Application Date	Work Complete	Retainage	Previous	Payment Total	Percent	EPA FUNDING	Payment Total		
				Payments		Complete	REIMBURSEMENT			
	1 12/31/2024	\$0.00	\$0.00	0	\$0.00	0.00%		\$0.00		
	2 1/31/2025	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00		
	3 2/28/2025	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00		
	4 3/31/2025	\$65,380.53	\$3,269.03	\$0.00	\$62,111.50	10.00%	\$0.00	\$62,111.50	Base Bid	\$653,805.25
	5 4/30/2025	\$98,070.79	\$4,903.54	\$62,111.50	\$31,055.75	15.00%	\$49,689.20	-\$18,633.45		
	6 5/31/2025	\$555,734.46	\$27,786.72	\$93,167.25	\$434,780.49	85.00%	\$24,844.60	\$409,935.89		
	7 6/30/2025	\$621,114.99	\$31,055.75	\$527,947.74	\$62,111.50	95.00%	\$347,824.39	-\$285,712.89		
	8 7/31/2025	\$653,805.25	\$32,690.26	\$590,059.24	\$63,746.01	100.00%	\$49,689.20	\$14,056.81		
	9 8/31/2025						\$50,996.81	-\$50,996.81		
	Total				\$653,805.25		\$523,044.20	\$130,761.05		

WELLS	Pay Application Date	Work Complete	Retainage	Previous Payments	Payment Total	Percent Complete			
	1 10/31/2025	\$50,000.00	\$2,500.00	\$0.00	\$47,500.00	7.26%			
	2 11/30/2025	\$156,491.00	\$7,824.55	\$47,500.00	\$101,166.45	22.71%			
	3 12/31/2025	\$262,982.00	\$13,149.10	\$148,666.45	\$101,166.45	38.17%			
	4 1/31/2026	\$369,473.00	\$18,473.65	\$249,832.90	\$101,166.45	53.63%	Base Bid	\$688,946.00	Payments Remaining
	5 2/28/2026	\$475,964.00	\$23,798.20	\$350,999.35	\$101,166.45	69.09%			AVERAGE MONTHLY PAYMENT REMAINING
	6 3/31/2026	\$582,455.00	\$29,122.75	\$452,165.80	\$101,166.45	84.54%			\$106,491.00
	7 4/30/2026	\$688,946.00	\$0.00	\$553,332.25	\$135,613.75	100.00%			
	Total				\$688,946.00		Total	\$688,946.00	

Indirect Costs

Funding Support	\$7,500.00
Tree Removal	\$60,000.00
Tree Replacement	\$80,000.00
Financing	\$140,000.00
Building Permit	\$20,000.00
Construction Materials Testing	\$21,000.00
Legal	\$5,000.00
Electrical Service	\$15,000.00
Preliminary Borings	\$5,000.00
Water Analysis	\$1,000.00
Ad for Bid	\$1,000.00
Total	\$355,500.00
Total Months	26
Average Payment	\$13,673.08