

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 2, 2026**

**NEW ISSUE  
BANK QUALIFIED**

**BOOK ENTRY ONLY  
STANDARD & POOR'S RATING "AA"**

*In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings, and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences. See "Tax Exemption" and "Other Federal and State Tax Considerations" herein for additional information.*

**CITY OF SARTELL, MINNESOTA**

**\$6,110,000\***

**General Obligation Bonds, Series 2026A**

**Dated Date: Date of Delivery (Estimated to be April 2, 2026)**

**Interest Due: Each February 1 and August 1  
Commencing February 1, 2027**

<u>Maturity*</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Maturity*</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
2/1/2027	\$205,000	_____ %	_____ %	_____	2/1/2037	\$325,000	_____ %	_____ %	_____
2/1/2028	250,000	_____	_____	_____	2/1/2038	335,000	_____	_____	_____
2/1/2029	255,000	_____	_____	_____	2/1/2039	345,000	_____	_____	_____
2/1/2030	265,000	_____	_____	_____	2/1/2040	360,000	_____	_____	_____
2/1/2031	270,000	_____	_____	_____	2/1/2041	380,000	_____	_____	_____
2/1/2032	275,000	_____	_____	_____	2/1/2042	390,000	_____	_____	_____
2/1/2033	290,000	_____	_____	_____	2/1/2043	300,000	_____	_____	_____
2/1/2034	290,000	_____	_____	_____	2/1/2044	305,000	_____	_____	_____
2/1/2035	305,000	_____	_____	_____	2/1/2045	320,000	_____	_____	_____
2/1/2036	310,000	_____	_____	_____	2/1/2046	335,000	_____	_____	_____

The General Obligation Bonds, Series 2026A (the "Bonds" or the "Issue") are being issued by the City of Sartell, Minnesota (the "City" or the "Issuer") pursuant to Minnesota Statutes, Chapters 444 and 475, and Section 412.301, as amended. Proceeds of the Bonds will be used to finance water treatment plant capital projects, phase one of the sewer forcemain project and the purchase of a fire truck and other equipment and to pay costs associated with issuance of the Bonds. See *Authority and Purpose* herein for additional information.

The Bonds are valid and binding general obligations of the City and are payable from net revenues of the City's water and sewer utilities, and ad valorem taxes. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount. See *Security/Sources and Uses of Funds* herein for additional information.

The Bonds maturing on February 1, 2035 and thereafter are subject to redemption, in whole or in part, on February 1, 2034 and on any date thereafter at a price of par plus accrued interest.

Principal due with respect to the Bonds is payable annually on February 1, commencing February 1, 2027. Interest due with respect to the Bonds is payable semiannually on February 1 and August 1, commencing February 1, 2027. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of Bonds. See "Book-Entry System" in *Description of the Bonds* herein for additional information. The Paying Agent/Registrar will be Northland Bond Services, a division of First National Bank of Omaha, Minneapolis, Minnesota.

**Proposals: Monday, March 9, 2026 10:00 A.M., Central Time**

**Award: Monday, March 9, 2026 6:00 P.M., Central Time**

Bids may contain a maturity schedule providing for any combination of serial or term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest. Bids must be for not less than \$6,012,240 (98.40%) and accrued interest on the total principal amount of the Bonds. **Bids will not be subject to cancellation – see "Establishment of Issue Price" in the Notice of Sale herein for additional details.** The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. A Good Faith Deposit (the "Deposit") in the amount of \$122,200, in the form of a federal wire transfer payable to the order of the City, will only be required from the apparent winning bidder, and must be received within two hours after the receipt of bids. See Notice of Sale for additional details. Award of the Bonds will be on the basis of True Interest Cost (TIC).

\* Preliminary, subject to change.



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The Bonds are offered, subject to prior sale when, as and if accepted by the underwriter(s) named on the front cover of this official statement and subject to an opinion as to validity of the Bonds by Bond Counsel. Subject to applicable securities laws and prevailing market conditions, the underwriter(s) intends, but is not obligated, to effect secondary market trading for the Bonds. Closing Date is estimated to be April 2, 2026.

No person has been authorized to give any information or to make any representations other than those contained in this official statement in connection with the offers made hereby, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the underwriter(s). This official statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person makes such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the underwriter(s). Neither the delivery of this official statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Within the meaning of Securities and Exchanges Commission Rule 15c2-12, the information included in the preliminary official statement is deemed final by the Issuer as of its date and is accurate and complete in all material respects, except for the omission of the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), other terms of the issue depending on such matters, and the identity of the underwriter(s).

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the Issuer and the merits and risks of the investment opportunity.

## **FORWARD-LOOKING STATEMENTS**

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The Issuer does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

## SUMMARY OF OFFERING

**City of Sartell, Minnesota**  
**\$6,110,000 \***  
**General Obligation Bonds, Series 2026A**  
*(Book-Entry Only)*

AMOUNT -	\$6,110,000*																																								
ISSUER -	City of Sartell, Minnesota (the “City” or the “Issuer”)																																								
AWARD DATE -	March 9, 2026																																								
MUNICIPAL ADVISOR -	Northland Securities, Inc. (the “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402, telephone: 612-851-5900 or 800-851-2920																																								
TYPE OF ISSUE -	General Obligation Bonds, Series 2026A (the “Bonds” or the “Issue”)																																								
AUTHORITY, PURPOSE & SECURITY -	The General Obligation Bonds, Series 2026A (the “Bonds”) are being issued by the City of Sartell, Minnesota (the “City”) pursuant to Minnesota Statutes, Chapters 444 and 475, and Section 412.301, as amended. Proceeds of the Bonds will be used to finance water treatment plant capital projects, phase one of the sewer forcemain project and the purchase of a fire truck and other equipment and to pay costs associated with issuance of the Bonds. The Bonds are valid and binding general obligations of the City and are payable from net revenues of the City's water and sewer utilities, and ad valorem taxes. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount. See <i>Authority and Purpose</i> as well as <i>Security/Sources and Uses of Funds</i> herein for additional information.																																								
DATE OF ISSUE -	Date of Delivery (Estimated to be April 2, 2026)																																								
INTEREST PAID -	Semiannually on each February 1 and August 1, commencing February 1, 2027, to registered owners of the Bonds appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).																																								
MATURITIES* -																																									
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REDEMPTION -	The Bonds maturing on February 1, 2035 and thereafter are subject to redemption, in whole or in part, on February 1, 2034 and on any date thereafter at a price of par plus accrued interest. See <i>Description of the Bonds</i> herein for additional information.																																								
BOOK-ENTRY -	The Bonds will be issued as fully registered and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments will be made. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of the Bonds.																																								
PAYING AGENT/REGISTRAR -	Northland Bond Services, a division of First National Bank of Omaha, Minneapolis, Minnesota																																								
TAX DESIGNATIONS -	<u>NOT Private Activity Bonds</u> - The Bonds are not “private activity bonds” as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”).  <u>Bank Qualified Tax-Exempt Obligations</u> - The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.																																								
LEGAL OPINION -	Taft Stettinius & Hollister LLP, Minneapolis, Minnesota (“Bond Counsel”)																																								
BOND RATING -	The City received an underlying rating of “AA” from S&P Global Ratings (“S&P”). See <i>Bond Rating</i> herein for additional information.																																								
CLOSING -	Estimated to be April 2, 2026																																								
PRIMARY CONTACTS -	Rob Voshell, Director of Finance and Operations, City of Sartell, Minnesota 320-258-7318 Tammy Omdal, Managing Director, Northland Securities, Inc., 612-851-4964 Jessica Green, Managing Director, Northland Securities, Inc., 612-851-5930																																								

\* Preliminary, subject to change.

**CITY OF SARTELL, MINNESOTA**

**PRINCIPAL CITY OFFICIALS**

<b>Elected Officials</b>	<b>City Council</b>	
<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Ryan Fitzthum	Mayor	12/31/2026
Rusty Deters	Council Member	12/31/2028
Tim Elness	Council Member	12/31/2026
Pat Lynch	Council Member	12/31/2028
Jed Meyer	Council Member	12/31/2026

**Primary Contacts**

Anna Gruber	City Administrator
Rob Voshell	Director of Finance and Operations
Lydia Olson	Accountant II
Eric Larson	City Attorney

**BOND COUNSEL**

Taft Stettinius & Hollister LLP  
Minneapolis, Minnesota

**MUNICIPAL ADVISOR**

Northland Securities, Inc.  
Minneapolis, Minnesota

## **NOTICE OF SALE**

\$6,110,000\*  
GENERAL OBLIGATION BONDS, SERIES 2026A

CITY OF SARTELL MINNESOTA  
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

### **TIME AND PLACE:**

Proposals (also referred to herein as “bids”) will be opened by the City’s Director of Finance and Operations, or designee, on Monday, March 9, 2026, at 10:00 A.M., CT, at the offices of Northland Securities, Inc. (the Issuer’s “Municipal Advisor”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the City Council at its meeting at the City Offices beginning Monday, March 9, 2026 at 6:00 P.M., CT.

### **SUBMISSION OF PROPOSALS**

Proposals may be:

- a) submitted to the office of Northland Securities, Inc.,
- b) emailed to [PublicSale@northlandsecurities.com](mailto:PublicSale@northlandsecurities.com)
- c) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 10:00 A.M., CT, on Monday, March 9, 2026. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 10:00 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the Issuer nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the Issuer to purchase the Bonds regardless of the manner in which the Proposal is submitted.

### **BOOK-ENTRY SYSTEM**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds.

Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer through Northland Bond Services, a division of First National Bank of Omaha, Minneapolis, Minnesota (the “Paying Agent/Registrar”), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be

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\* The Issuer reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

required to deposit the bond certificates with DTC. The Issuer will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

### DATE OF ORIGINAL ISSUE OF BONDS

Date of Delivery (Estimated to be April 2, 2026)

### AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 444 and 475 and Section 412.301, as amended. Proceeds will be used to finance water treatment plant capital projects, phase one of the sewer forcemain project and the purchase of a fire truck and equipment, and to pay costs associated with the issuance of the Bonds. The Bonds are payable from net revenues of the City's water and sewer utilities and additionally secured by ad valorem taxes on all taxable property within the City. The full faith and credit of the Issuer is pledged to their payment and the Issuer has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

### INTEREST PAYMENTS

Interest is due semiannually on each February 1 and August 1, commencing February 1, 2027, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date.

### MATURITIES

Principal is due annually on February 1, inclusive, in each of the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$205,000	2033	\$290,000	2038	\$335,000	2043	\$300,000
2028	250,000	2034	290,000	2039	345,000	2044	305,000
2029	255,000	2035	305,000	2040	360,000	2045	320,000
2030	265,000	2036	310,000	2041	380,000	2046	335,000
2031	270,000	2037	325,000	2042	390,000		
2032	275,000						

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

### INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

### ESTABLISHMENT OF ISSUE PRICE (HOLD-THE-OFFERING-PRICE RULE MAY APPLY – BIDS NOT CANCELLABLE)

The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf

of the Issuer by the Issuer's Municipal Advisor and any notice or report to be provided to the Issuer may be provided to the Issuer's Municipal Advisor.

The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest cost), as set forth in this Notice of Sale.

**Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.**

In the event that the competitive sale requirements are not satisfied, the Issuer shall promptly so advise the winning bidder. The Issuer may then determine to treat the initial offering price to the public as of the award date of the Bonds as the issue price of each maturity by imposing on the winning bidder the Hold-the-Offering-Price Rule as described in the following paragraph (the "Hold-the-Offering-Price Rule"). Bids will **not** be subject to cancellation in the event that the Issuer determines to apply the Hold-the-Offering-Price Rule to the Bonds. **Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.**

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "Initial Offering Price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the award date for the Bonds and ending on the **earlier** of the following:

- (1) the close of the fifth (5th) business day after the award date; or
- (2) the date on which the underwriters have sold at least 10% of a maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the "10% Test"), at which time only that particular maturity will no longer be subject to the Hold-the-Offering-Price Rule.

The Issuer acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price

of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the Hold-the-Offering-Price Rule, if applicable if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Bonds that to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public, and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

*Notes: Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:*

- (1) “public” means any person other than an underwriter or a related party,*
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public).*
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation or another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership or another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and*
- (4) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.*

#### **ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS**

The Issuer reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the Issuer and shall be at the sole discretion of the Issuer. The successful bidder may not withdraw or modify its Proposal once submitted to the Issuer for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

#### **OPTIONAL REDEMPTION**

Bonds maturing on and after February 1, 2035 are subject to redemption and prepayment at the option of the Issuer on February 1, 2034 and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or

in part of the Bonds subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the Issuer and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar.

### **CUSIP NUMBERS**

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

### **DELIVERY**

Delivery of the Bonds will be within thirty-five days after award, subject to an approving legal opinion by Taft, Stettinius & Hollister, LLP Bond Counsel. The legal opinion will be paid by the Issuer and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

### **TYPE OF PROPOSAL**

Proposals of not less than \$6,012,240 (98.40%) and accrued interest on the principal sum of \$6,110,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

Rob Voshell, Director of Finance and Operations  
Sartell City Hall  
125 Pinecone Road North  
Sartell, Minnesota 56377

A good faith deposit (the "Deposit") in the amount of \$122,200 in the form of a federal wire transfer (payable to the order of the Issuer) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the Issuer may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The Issuer will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the Issuer. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the Issuer scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

### **AWARD**

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Issuer's computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The Issuer will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the Issuer determines to have failed to comply with the terms herein.

## **INFORMATION FROM SUCCESSFUL BIDDER**

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

### **OFFICIAL STATEMENT**

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the Issuer agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

### **FULL CONTINUING DISCLOSURE UNDERTAKING**

The Issuer will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the Issuer, and notices of certain material events, as required by SEC Rule 15c2-12.

### **BANK QUALIFICATION**

The Issuer will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **BOND INSURANCE AT UNDERWRITER'S OPTION**

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the Issuer has requested and received a rating on the Bonds from a rating agency, the Issuer will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The Issuer reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: February 9, 2026

BY ORDER OF THE SARTELL CITY COUNCIL

/s/ Rob Voshell  
Director of Finance and Operations

Additional information may be obtained from:  
Northland Securities, Inc.  
150 South 5th Street, Suite 3300  
Minneapolis, Minnesota 55402  
Telephone No.: 612-851-5900

**EXHIBIT A**

*(ISSUE PRICE CERTIFICATE – COMPETITIVE SALE SATISFIED)*

The undersigned, on behalf of \_\_\_\_\_ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the General Obligation Bonds, Series 2026A (the "Bonds") of the City of Sartell, Minnesota (the "Issuer").

1. Reasonably Expected Initial Offering Price.

As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in **Schedule A** (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

2. Defined Terms.

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

"Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Taft Stettinius & Hollister LLP, Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_.

*(FORM OF ISSUE PRICE CERTIFICATE – HOLD-THE-OFFERING-PRICE RULE APPLIES)*

The undersigned, on behalf of \_\_\_\_\_ (the "Underwriter"), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of General Obligation Bonds, Series 2026A (the "Bonds") of the City of Sartell, Minnesota (the "Issuer").

1. Initial Offering Price of the Bonds.

(a) The Underwriter offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the Underwriter has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. Defined Terms.

(a) "Holding Period" means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_), or (ii) the date on which the Underwriter has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_.

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Taft Stettinius & Hollister LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue

Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_.

## **AUTHORITY AND PURPOSE**

The General Obligation Bonds, Series 2026A (the “Bonds” or the “Issue”) are being issued by the City of Sartell, Minnesota (the “City”) pursuant to Minnesota Statutes, Chapters 444 and 475, and Section 412.301, as amended. Proceeds from issuance of the Bonds will be used to finance water treatment plant capital projects, phase one of the sewer forcemain project and the purchase of a fire truck and other equipment and to pay costs associated with issuance of the Bonds.

## **SECURITY/SOURCES AND USES OF FUNDS**

### **Security**

The Bonds are valid and binding general obligations of the City and are payable from net revenues of the City's water and sewer utilities, and ad valorem taxes. The full faith and credit of the City is also pledged to their payment. In the event of any deficiency in the Debt Service Account established for this Issue, the City has validly obligated itself to levy additional ad valorem taxes upon all of the taxable property within the City, without limitation of amount.

### **Sources and Uses of Funds**

Following are the sources and uses of funds in connection with the issuance of the Bonds.

#### *Sources of Funds*

Par Amount of Bonds	\$ <u>6,110,000*</u>
Total Sources of Funds:	\$ <u>6,110,000</u>

#### *Uses of Funds*

Deposit to Project Fund	\$ 5,900,000
Costs of Issuance/Underwriter’s Discount	169,170
Deposit to Capitalized Interest Fund	36,111
Rounding Amount	<u>4,719</u>
Total Uses of Funds:	\$ <u>6,110,000</u>

## **BONDHOLDERS’ RISKS**

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, any secondary marketing practices in connection with a particular bond issue are suspended or terminated. Additionally, prices of bond issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

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\* Preliminary, subject to change.

## **Ratings Loss**

S&P Global Ratings has assigned a rating of “AA” to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

## **Forward-Looking Statements**

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

## **Tax Exemption, Bank Qualification and Loss of Tax Exemption**

If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and post-issuance tax covenants of the Issuer may result in the inclusion of interest on the Bonds in gross income of the recipient for federal income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

The Bonds are designated as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Code, and the Issuer has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the Issuer in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is also possible that actions of the Issuer after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset.

## **Pending Federal and State Tax Legislation**

From time to time, there is State legislation proposed, as well as Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal or state tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition, regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability

or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

### **Tax Levy Procedures**

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

### **Factors Beyond Issuer's Control**

A combination of epidemic, pandemic, economic, climatic, political or civil disruptions outside of the control of the Issuer, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local governments. Real or perceived threats to the financial stability of the Issuer may have an adverse effect on the value of the Bonds in the secondary market. State of Minnesota cash flow problems could also affect local governments, including reductions in, or delayed payments of, local government state aid (LGA) and possibly increase Issuer property taxes.

### **Cybersecurity**

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

### **Suitability of Investment**

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

### **Summary**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

## **DESCRIPTION OF THE BONDS**

### **Details of Certain Terms**

The Bonds will be dated, as originally issued, as of the date of delivery (estimated to be April 2, 2026), and will be issued as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. Principal, including mandatory redemptions on the Bonds, if applicable, will be payable annually February 1, commencing February 1, 2027. Interest on the Bonds will be payable semiannually on each February 1 and August 1, commencing February

1, 2027. The Bonds when issued, will be registered in the name of Cede & Co. (the “Registered Holder”), as nominee of The Depository Trust Company, New York, New York (“DTC”), the initial custodian for the Bonds, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the Registered Holder of the Bonds. See “Book-Entry System” in *Description of the Bonds* herein for additional information. So long as the Book-Entry Only System is used, individual purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof (“Authorized Denominations”). Individual purchasers (“Beneficial Owners”) of the Bonds will not receive physical delivery of bond certificates, and registration, exchange, transfer, tender and redemption of the Bonds with respect to Beneficial Owners shall be governed by the Book-Entry Only System.

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Bond Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).

### **Registration, Transfer and Exchange**

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the Bonds may be transferred upon surrender of the Bonds at the principal office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing. The Bonds, upon surrender thereof at the principal office of the Bond Registrar, may also be exchanged for other Bonds of the same series, of any authorized denominations having the same form, terms, interest rates and maturities as the Bonds being exchanged. The Bond Registrar will require the payment by the Bond holder requesting such exchange or transfer of any tax or governmental charge required to be paid with respect to such exchange or transfer. The Bond Registrar is not required to (i) issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen days before any selection of Bonds of a particular stated maturity for redemption in accordance with the provisions of the Bond resolution and ending on the day of the first mailing of the relevant notice of redemption or (ii) to transfer any Bonds or portion thereof selected for redemption.

### **Optional Redemption**

The Bonds maturing on February 1, 2035 and thereafter are subject to redemption, in whole or in part, on February 1, 2034 and on any date thereafter at a price of par plus accrued interest. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the City. Notice of redemption shall be given by written notice to the registered owner of the Bonds not less than 30 days prior to such redemption date.

### **Book-Entry System**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants

("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtcc.org](http://www.dtcc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and

disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to [Tender/Remarketing] Agent's DTC account.]

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City of Sartell takes no responsibility for the accuracy thereof.

### **FULL CONTINUING DISCLOSURE**

In order to assist the Underwriter(s) in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to a resolution awarding the Issue and a Continuing Disclosure Certificate (the "Certificate") to be executed on behalf of the City on or before Bond closing, the City has and will covenant for the benefit of holders of the Bonds to annually provide certain financial and operating data, relating to the City to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, and to provide notices of the occurrence of certain events enumerated in the Rule to the MSRB. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix B.

To the best of its knowledge, the City has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events within the past five years. A failure by the City to comply with the Certificate will not constitute an event of default on the Bonds (although holders will have an enforceable right to specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Please see *Appendix B – Continuing Disclosure Certificate* herein for additional information.

The City has implemented disclosure policies and procedures to be followed by the City in relation to the financial disclosures and reportable events for which the City must provide notice to the MSRB's Electronic Municipal Market Access system. The City has retained a Dissemination Agent for its continuing disclosure filings.

### **UNDERWRITER**

The Bonds are being purchased by \_\_\_\_\_ (the "Underwriter") at a purchase price of \$ \_\_\_\_\_, which is the par amount of the Bonds of \$ \_\_\_\_\_ less the Underwriter's discount of \$ \_\_\_\_\_, plus the original issue premium of \$ \_\_\_\_\_.

### **MUNICIPAL ADVISOR**

The City has retained Northland Securities, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. Northland Securities, Inc. is registered as a municipal advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). In preparing the

Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources that have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

Northland Securities, Inc., is a subsidiary of Northland Capital Holdings, Inc. First National of Nebraska, Inc., is the parent company of Northland Capital Holdings, Inc. and First National Bank of Omaha.

### **FUTURE FINANCING**

The City does not anticipate the need to issue any additional general obligation debt within the next three months.

### **BOND RATING**

The City received an underlying rating of “AA” from S&P Global Ratings (“S&P”). No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the opinion of S&P and any explanation of the significance of this rating may be obtained only from S&P. There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised or withdrawn, if in the judgment of S&P, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. This rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency.

### **LITIGATION**

As of the date of this Official Statement, the City is not aware of any threatened or pending litigation that questions the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

### **CERTIFICATION**

The City will furnish a statement to the effect that this Official Statement to the best of its knowledge and belief, as of the date of sale and the date of delivery, is true and correct in all material respects, and does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The City has always promptly met all payments of principal and interest on its indebtedness when due.

### **LEGALITY**

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Taft Stettinius & Hollister LLP, Minneapolis, Minnesota (“Bond Counsel”) as to validity and tax exemption. A copy of such opinion will be available at the time of the delivery of the Bonds. See *Appendix A – Form of Legal Opinion*.

Bond Counsel has not participated in the preparation of this Official Statement and is not passing upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine, or verify, any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto.

### **TAX EXEMPTION**

On the date of issuance of the Bonds, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion, that, based on present federal and Minnesota laws, regulations, rulings, and decisions, at the time of the issuance of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes

(other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining “annual adjusted financial statement income” for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinions are subject to the condition that the Issuer complies with all applicable federal tax requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income and taxable net income, retroactive to their date of issuance. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences.

## **OTHER FEDERAL AND STATE TAX CONSIDERATIONS**

### **Other Tax Considerations**

Though excluded from gross income, interest on the Bonds is subject to federal income taxation for certain types of taxpayers and certain income taxes, including without implied limitation, taxation to the extent it is included as part of (a) the adjusted current earnings of a corporation for purposes of the alternative minimum tax, (b) effectively connected earnings and profits of a foreign corporation for purposes of the branch profits tax on dividend equivalent amounts, (c) excess net passive income of an S Corporation which has Subchapter C earnings and profits, or (d) minimum effectively connected net investment income of a foreign insurance company. Interest on the Bonds is also taken into account in other ways for federal income tax purposes, including without implied limitation, (a) reducing loss reserve deductions of property and casualty insurance companies, (b) reducing interest expense deductions of financial institutions, and (c) causing certain taxpayers to include in gross income a portion of social security benefits and railroad retirement benefits. Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion as to any of such consequences, and prospective purchasers who may be subject to such collateral consequences should consult their tax advisors.

### **Original Issue Discount**

Some of the Bonds (“OID Bonds”) may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds were sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holder’s tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder’s tax basis during the period such Bonds are held.

### **Original Issue Premium**

Some of the Bonds may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

### **Proposed Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely

affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

### **Qualified Tax-Exempt Obligations**

The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

The above is not a comprehensive list of all federal tax consequences that may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State of Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

**CITY OF SARTELL, MINNESOTA**

**GENERAL INFORMATION**

**Location/Access/Transportation**

The City of Sartell is located in Benton and Stearns Counties, approximately 5 miles northwest of St. Cloud, 75 miles northwest of Minneapolis and is part of the St. Cloud Metropolitan Area. Access is provided via US Highway 10, State Highway 15 and County roads 4, 29 and 133.

**Population**

2000 Census	9,641	2020 Census	19,351
2010 Census	15,876	2026 City Estimate	19,955

**Labor Force Data<sup>1</sup>**

Comparative average labor force and unemployment rate figures for 2025 (through November) and year-end 2024 are listed below. Figures are not seasonally adjusted, and numbers of people are estimated by place of residence.

	2025 (November)		2024	
	<i>Civilian Labor Force</i>	<i>Unemployment Rate</i>	<i>Civilian Labor Force</i>	<i>Unemployment Rate</i>
Stearns County	88,315	3.8%	87,921	3.0%
St. Cloud MSA	111,390	3.9	110,910	3.1
Minnesota	3,160,719	3.7	3,129,802	3.0

**Income Data<sup>2</sup>**

Comparative income levels are listed below for the City, the State of Minnesota and the United States.

	City of Sartell	State of Minnesota	United States
Median Family Income	\$117,973	\$113,993	\$101,265
Per Capita Income	42,415	48,237	51,149

**City Government**

Sartell, organized in 1907, is a Minnesota Statutory City with an ‘Optional Plan A’ form of government. The Mayor is elected at-large for a four-year term. The four council members are elected at large, all serving four-year terms. The City employs on average 140 people, 66 full-time, 57 part-time and 17 seasonal employees. The professional staff is appointed and consists of a City Administrator, Director of Community and Economic Development, Director of Finance and Operations, Director of Engagement and Experiences, Development Specialist, Human Resources Specialist, Accounting Specialist, Customer Service Specialist and Executive Assistant.

**Municipal Enterprise Services**

Municipal enterprise services provided by the City include the water system, the sewer system and the stormwater system.

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<sup>1</sup> Source: Minnesota Department of Employment and Economic Development.

<sup>2</sup> Source: 2020-2024 American Community Survey, U.S. Census Bureau.

## **Bargaining Units/Labor Contracts**

The labor unions representing certain City employee groups are shown below.

<u>Employee Group</u>	<u>Contract Expiration Date</u>
Teamsters	12/31/2026
Law Enforcement Labor Services	12/31/2026

## **Employee Pension Programs**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees' Retirement Association (PERA) of Minnesota. PERA administers the General Employee's Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF (formerly "PERF") and PEPFF. That report may be obtained at [www.mnpera.org](http://www.mnpera.org), or by writing to PERA at 60 Empire Drive, #200, St. Paul, MN 55103-2088 or by calling 651-296-7460 or 800-652-9026.

The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Coordinated Plan members were required to contribute 6.50% of their annual covered salary in 2024. PEPFF members were required to contribute 11.80% of their annual covered salary in 2023. Effective January 1, 2024, State statute requires the City to contribute the following percentages of annual covered payroll: 7.50% for Coordinated Plan GERF members and 17.70% for PEPFF members.

Additional information relating to the City's pension plan can be found in Note 11 of the City's audit within Appendix C of this Official Statement.

## **Other Post-Employment Benefits**

The City does not offer any other postemployment benefits to former or retired employees and has no liability with respect thereto.

**Estimated Cash/Investment Balances as of December 31, 2025 (unaudited)**

*Fund Name*

General Fund	\$3,700,000
Special Revenue Funds	600,000
Debt Service Funds	1,700,000
Enterprise Funds	<u>7,000,000</u>
Total Estimated Cash/Investment Balances	<u>\$13,000,000</u>

**General Fund Budget Summary**

	<u>2025 Budget</u>	<u>2026 Budget</u>
Revenues:		
Property Taxes	\$7,977,000	\$8,127,000
Intergovernmental Revenue	1,493,468	1,479,100
Investment Income	50,000	50,000
Miscellaneous	25,000	28,000
Transfers In	172,500	182,000
Refunds and Reimbursements	36,000	46,000
Charges for Services	936,950	1,010,950
Fines and Forfeits	47,500	53,000
Licenses and Permits	600,500	650,500
Contributions and Donations	<u>21,250</u>	<u>26,250</u>
Total Revenues	\$11,360,168	\$11,652,800
Expenditures:		
General Government	\$1,316,250	\$1,398,950
Community & Economic Dev.	226,400	236,620
Transfers Out	21,500	121,500
Public Safety	6,482,718	6,598,310
Public Works	1,808,000	1,713,590
Parks and Recreation	<u>1,505,300</u>	<u>1,583,830</u>
Total Expenditures	\$11,360,168	\$11,652,800
Net Change in Fund Balance	\$0	\$0

## Residential Development

There are 7,264 households located within the City as of December 31, 2025 based on City estimates. There were 22 single-family homes, and 3 multi-family units constructed in 2025.

Subdivisions planned or constructed within the past three years are as follows:

<u>Subdivision Name</u>	<u>Total Lots/Units</u>	<u>Vacant Lots/Units</u>	<u>Year Constructed</u>	<u>Status (% Developed)</u>
The Preserve on Watab	13	13	2026	0%
Scout Haven	500	500	2026	0
Koenig Park	2	1	2025	50
Mill Town Cove	67	67	2025	0
Midnight Oaks	24	24	2025	0
West Bridgeport Plat 2	36	36	2025	0
Eagle Addition	2	1	2024	50
Northern Meadows	10	4	2023	60

## Business – Industrial Parks

The City has five industrial parks totaling approximately 320 acres. Currently there are ten enterprises occupying the parks, the larger of which include: Toppan Merrill, Sartell Economic Development Authority, JR Ferche Incorporated, and JK Self Storage. There are currently approximately 120 acres available for sale and development. In 2025, Niron Magnetics purchased 80 acres from the City for business and industrial development. The company plans to construct a 190,000-square-foot manufacturing facility beginning in 2026, with operations expected to commence in 2027 and employment projected at approximately 175 positions.

## Commercial/Industrial Development

Building construction and commercial/industrial development completed within the past three years have been as follows:

<u>Name</u>	<u>Product/Service</u>	<u>Description of Construction</u>	<u>Year Completed</u>
Aldi	Grocery Store	Retail	2023
JK Storage	Storage	Storage Facility	2023
O2B Childcare	Childcare	Childcare Center	2024
Foundations Autism	Autism Clinic	Clinic/Medical	2024
Les Schwab	Auto Repair	Retail	2024
Rayus Imaging	Imaging Clinic	Medical	2025
Medical Arts Dental	Dental Clinic	Medical	2025
Discount Tire	Auto Repair	Retail	2025
Three Tees Golf	Restaurant	Restaurant	2025
Wyndham Hotel	Hotel	Hotel	2025

## Building Permits

Building permits issued for the past five years have been as follows:

<u>Year</u>	<u>Commercial/ Industrial Number of Permits</u>	<u>Residential Number of Permits</u>	<u>Total Number of Permits</u>	<u>Total Permit Valuation</u>
2025	23	23	2,022	\$39,266,189
2024	7	35	1,925	66,109,440
2023	2	19	1,586	34,949,163
2022	8	25	3,287	50,553,614
2021	6	94	2,517	46,443,144

## Banking/Financial Institutions

Banking and financial services providers within the City include Magnifi, BankVista, Deerwood Bank (Waite Park, MN) and US Bank, N.A.

## Education

Sartell is primarily served by Independent School District No. 748, Sartell-St. Stephen, which operates three elementary schools, one middle school and a senior high school. Portions of the City are also served by Independent School District No. 047, Sauk Rapids-Rice and Independent School District No. 742, St. Cloud.

## Major Employers<sup>1</sup>

Following are major employers within the City:

<u>Employer Name</u>	<u>Product/Service</u>	<u>Number of Employees<sup>2</sup></u>
ISD No. 748, Sartell – St. Stephen	Public Education	527
Country Manor Apartments	Assisted Living and Nursing Facility	500
Dezurik Apco Williamette	Manufacturer	350
Meduit	Collection Agencies	300
Walmart Supercenter	Department Store	300
De Zurik Inc	Industrial Valve Manufacturer	278
HealthPartners Central Minnesota Clinic	Hospital and Clinic	250
Coborn's	Grocery Store	240
St. Cloud Orthopedics	Orthopedic Physicians	150

<sup>1</sup> Source: The City and Data Axle Reference Solutions.

<sup>2</sup> Includes full-time, part-time and seasonal employees.

## Largest Taxpayers<sup>1</sup>

Following are ten of the largest taxpayers within the City:

<u>Name</u>	<u>Classification</u>	2024/2025 Tax <u>Capacity</u>	<i>Percent of Total Tax Capacity (\$25,229,701)<sup>2</sup></i>
Centracare Health Systems	Commercial/Industrial	\$ 336,534	1.33%
Grandview Estates LLC	Residential	322,749	1.28
Country Manor Campus LLC	Residential/Commercial	246,968	0.98
Heritage Village Apartments Phase II LLC	Residential	208,043	0.83
Toppan Merrill 1 LLC	Industrial	213,374	0.85
Grandview Crossing LLC	Residential	193,802	0.77
Wal-Mart Real Estate Bus. Trust	Commercial	185,422	0.73
SCOA LLC	Commercial	181,682	0.72
Heritage Village Apartments LLC	Residential	176,779	0.70
St. Cloud MOB LLC	Commercial	<u>171,756</u>	<u>0.68</u>
		<u>\$ 2,237,109</u>	<u>8.87%</u>

*(Remainder of page intentionally left blank)*

<sup>1</sup> As reported by Benton County and Stearns County.

<sup>2</sup> Before tax increment adjustment.

## **MINNESOTA VALUATIONS; PROPERTY TAX CLASSIFICATIONS**

### **Market Value**

State Law defines the “market value” of real property as the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm's-length transaction. The assessor uses sales and market value income trends to estimate the value of property in an open market transaction. This value is also called “estimated market value”. This value is set on January 2 of each year. Property taxes levied each year are based on the value of property on January 2 of the preceding year. According to Minnesota Statutes, Chapter 273, all real property subject to taxation is to be appraised at maximum intervals of five years.

### **Taxable Market Value**

The “taxable market value” is the amount used for calculating property taxes. The taxable market value may differ from the estimated market value due to the application of special programs that exclude value from taxation. These programs currently include, but are not limited to, Homestead Market Value Exclusion and Green Acres.

### **Market Value Exclusion**

In 2011, the State Legislature eliminated the Homestead Market Value Credit. The Credit was an amount paid by the State to local taxing jurisdictions to reduce taxes paid by homesteaded property. The Credit has been replaced by a Homestead Market Value Exclusion. The Exclusion reduces the taxable market value (beginning with taxes payable 2012) of a jurisdiction by excluding a portion of the value of homesteaded property from taxation. For a homestead valued at \$95,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of \$38,000 at \$95,000 of market value. For a homestead valued between \$95,000 and \$517,200, the exclusion is \$38,000 minus nine percent of the valuation over \$95,000. For a homestead valued at \$517,200 or more, there is no valuation exclusion.

### **Sales Ratio**

The Minnesota Department of Revenue conducts the Assessment Sales Ratio Study to compare real estate sales prices to local assessor valuations. The State uses the study results to ensure consistency in property assessments across the state. There are three different sales ratio studies that cover three distinct time periods. The 12-month study includes sales that occur from October 1st of a given year to September 30th of the following year and are compared to market values used for property taxation. The median ratio from the 12-month study is the sales ratio used to calculate indicated and economic market values.

### **Economic and Indicated Market Value**

“Economic market value” and “indicated market value” reflect adjustments made to account for the effects of the sales ratio. The economic market value is determined by dividing the estimated market value of the jurisdiction by the sales ratio. Economic market value provides an estimation of the full value of property if it were valued at 100% of its value in the marketplace (prior to the application of legislatively mandated exclusions). The indicated market value is determined by dividing the taxable market value of the jurisdiction by the sales ratio. This value represents an estimation of the “full value” of property for taxation, after the deduction of legislative exclusions.

### **Net Tax Capacity**

Property taxes are calculated on the basis of the “net tax capacity value”. Net tax capacity is calculated by multiplying the taxable market value of a parcel by the statutory class rate for the use classification of the property. These class rates are subject to revisions by the State Legislature. The table following this section contains current and historical class rates for primary property classifications.

## **Tax Cycle**

Minnesota local government ad valorem property taxes are extended and collected by the various counties within the state. The process begins in the fall of every year with the certification, to the county auditor, of all local taxing districts' property tax levies. Local tax rates are calculated by dividing each taxing district's levy by its net tax capacity. One percentage point of local tax rate represents one dollar of tax per \$100 net tax capacity. A list of taxes due is then prepared by the county auditor and turned over to the county treasurer on or before the first Monday in January.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements (excluding manufactured homes) are to be mailed out no later than March 31, and manufactured home property tax statements no later than July 15. The due dates for payment of real and personal property taxes (excluding manufactured homes) are one-half on or before May 15 (May 31 for resorts) and one-half on or before October 15 (November 15 for farm property). Personal property taxes for manufactured homes become due one-half on or before August 31 and one-half on or before November 15. Delinquent property taxes are penalized at various rates depending on the type of property and the length of delinquency.

## **Tax Levies for General Obligation Bonds (Minnesota Statutes, Section 475.61)**

State Law requires the governing body of any municipality issuing general obligations, prior to delivery of the obligations, to levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years shall be specified and such that if collected in full will, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, produce at least five percent in excess of the amount needed to meet the principal and interest payments on the obligations when due.

Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality's debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations.

The governing body may, at its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected and remitted, and the amount therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

The recording officer of the municipality shall file in the office of the county auditor of each county in which any part of the municipality is located a certified copy of the resolution, together with full information regarding the obligations for which the tax is levied. No further action by the municipality is required to authorize the extension, assessment and collection of the tax, but the municipality's liability on the obligations is not limited thereto and its governing body shall levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal and interest. The auditor shall annually assess and extend upon the tax rolls the amount specified for such year in the resolution, unless the amount has been reduced as authorized below or, if the municipality is located in more than one county, the portion thereof that bears the same ratio to the whole amount as the tax capacity value of taxable property in that part of the municipality located in the county bears to the tax capacity value of all taxable property in the municipality.

Tax levies so made and filed shall be irrevocable, except that if the governing body in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of that levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality.

## **Levy Limits**

The State Legislature periodically enacts limitations on the ability of cities and counties to levy property taxes. Levy limits were reenacted in 2013 and applied to all counties with a population over 5,000 and all cities with a population over 2,500 for taxes payable in 2014 only. Levies “to pay the costs of the principal and interest on bonded indebtedness” and “to provide for the bonded indebtedness portion of payments made to another political subdivision of the State of Minnesota” are designated special levies and can be levied in addition to the amount allowed by levy limitations.

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The following is a partial summary of these factors:

*Property Tax Classifications*

<u>Class</u>	<u>Type of Property</u>	<u>Class Rate Schedule</u>		
		<u>2022/ 2023</u>	<u>2023/ 2024</u>	<u>2024/ 2025</u>
1a	<u>Residential Homestead</u> : First \$500,000	1.00%	1.00%	1.00%
	Over \$500,000	1.25	1.25	1.25
1c	<u>Commercial seasonal-residential recreational-</u> under 250 days and includes homestead			
	First \$600,000	.50	.50	.50
	\$600,001-2,300,000	1.00	1.00	1.00
	Over \$2,300,000 <sup>†</sup>	1.25	1.25	1.25
2a	<u>Agricultural Homestead – House, Garage, One Acre:</u>			
	First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
	Remainder of Farm* –			
	First \$1,890,000	0.50		
	Over \$1,890,000	1.00		
	First \$2,150,000		0.50	
	Over \$2,150,000		1.00	
	First \$3,500,000			.50
	Over \$3,500,000			1.00
2b	<u>Non-Homestead Rural Vacant Land</u> <sup>1</sup>	1.00	1.00	1.00
3a	<u>Commercial/Industrial and Public Utility</u>			
	First \$150,000 <sup>†</sup>	1.50	1.50	1.50
	Over \$150,000 <sup>†</sup>	2.00	2.00	2.00
4a	<u>Apartment</u> (4+ units, incl. private for-profit hospitals)	1.25	1.25	1.25
4bb(1)	<u>Residential Non-Homestead (Single Unit)</u>			
	First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
4c(1)	<u>Seasonal Residential Recreational/Commercial</u> <sup>†</sup>			
	(Resort): First \$500,000	1.00	1.00	1.00
	Over \$500,000	1.25	1.25	1.25
4c(12)	<u>Seasonal Residential Recreational</u> <sup>†</sup>			
	Non-Commercial (Cabin): First \$500,000*	1.00	1.00	1.00
	Over \$500,000*	1.25	1.25	1.25
4d	<u>Qualifying Low-Income Rental Housing</u>			
	First \$100,000	.75	.75	.25
	Over \$100,000	.25	.25	.25

<sup>†</sup> Subject to the state general property tax.

\* Exempt from referendum market value-based taxes.

<sup>1</sup> Homestead remainder & non-homestead; includes minor ancillary structures.

**CITY OF SARTELL, MINNESOTA**

**ECONOMIC AND FINANCIAL INFORMATION<sup>1</sup>**

**Valuations**

	<i>Estimated Market Value <u>2024/2025</u></i>	<i>Net Tax Capacity <u>2024/2025</u></i>
Real Property		
Stearns County	\$2,100,385,700	\$ 22,879,336
Benton County	<u>179,345,000</u>	<u>2,166,463</u>
Total Real Property	\$2,279,730,700	\$ 25,045,799
Personal Property		
Stearns County	\$ 7,695,200	\$ 153,391
Benton County	<u>1,526,800</u>	<u>30,511</u>
Total Personal Property	\$ 9,222,000	\$ 183,902
Tax Increment Deduction		
Stearns County	\$ -	(\$ 11,981)
Benton County	<u>-</u>	<u>( 170,028)</u>
Total Deductions	\$ -	(\$ 182,009)
Total Valuation	<u>\$2,288,952,700</u>	<u>\$ 25,047,692</u>

**Valuation Trends (Real and Personal Property)**

<i>Levy Year/ Collection Year</i>	<i>Economic Market Value</i>	<i>Sales Ratio</i>	<i>Estimated Market Value</i>	<i>Taxable Market Value</i>	<i>Tax Capacity Before Tax Increments</i>	<i>Tax Capacity After Tax Increments</i>
2024/2025	\$2,382,021,775	96.39%	\$2,288,952,700	\$2,183,515,300	\$25,229,701	\$25,047,692
2023/2024	2,295,907,933	95.73	2,194,763,700	2,120,433,300	24,457,633	24,259,459
2022/2023	2,164,138,969	93.14	2,014,656,900	1,936,463,800	22,398,625	22,209,756
2021/2022	1,908,891,628	86.27	1,717,566,700	1,629,124,600	19,062,947	18,908,641
2020/2021	1,734,297,542	94.32	1,614,747,000	1,525,759,700	17,884,831	17,811,534

<sup>1</sup> Property valuations, tax rates, and tax levies and collections are provided by Benton County and Stearns County. Economic market value and sales ratio are provided by the Minnesota Department of Revenue.

**Breakdown of Valuations**

2024/2025 Tax Capacity, Real and Personal Property (before tax increment adjustments):

Residential Homestead	\$ 14,533,227	57.60%
Agricultural	80,993	0.32
Commercial & Industrial	5,075,348	20.12
Public Utility	96,670	0.38
Railroad	52,874	0.21
Residential Non-Homestead	5,183,511	20.55
Seasonal/Recreational	23,176	0.09
Personal Property	<u>183,902</u>	<u>0.73</u>
Totals:	<u>\$ 24,457,633</u>	<u>100.00%</u>

**Tax Capacity Rates**

Tax capacity rates for a City resident within Stearns County, for the past five-assessable/collection years have been as follows:

<i>Levy Year/ Collection Year</i>	<i>2020/21 Tax Capacity Rates</i>	<i>2021/22 Tax Capacity Rates</i>	<i>2022/23 Tax Capacity Rates</i>	<i>2023/24 Tax Capacity Rates</i>	<i>2024/25 Tax Capacity Rates</i>
Stearns County	48.6017%	48.4619%	42.9453%	40.1029%	40.4924%
City of Sartell	41.5071	41.6095	41.5074	41.6456	41.6066
ISD No. 748 Sartell/ St. Stephen	39.1500	37.6446	31.2238	30.7219	31.4700
Regional Rail Authority	0.0389	0.0277	0.0249	0.0502	0.0522
St. Cloud Metro Trans	3.3456	3.2269	2.9980	2.9980	2.9251
Stearns County HRA	0.3289	0.3159	0.2750	0.2610	0.0835
Sauk River Watershed	<u>0.9620</u>	<u>1.0527</u>	<u>0.9834</u>	<u>0.9088</u>	<u>0.7582</u>
Totals:	<u>133.9342%</u>	<u>132.3392%</u>	<u>119.9578%</u>	<u>116.6884%</u>	<u>117.3880%</u>

Market Value Rates:

ISD No. 748 (Sartell/St. Stephen)	0.21225%	0.20647%	0.19090%	0.19631%	0.19140%
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**Tax Levies and Collections<sup>1</sup>**

<u>Levy/Collect</u>	<u>Net Levy</u>	<u>Collected During Collection Year</u>		<u>Collected and/or Abated as of 12/31/24</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2024/2025	\$10,421,096				
2023/2024	10,106,349	\$10,071,964	99.66%	\$10,071,964	99.66%
2022/2023	9,218,139	9,185,219	99.64	9,206,520	99.87
2021/2022	7,867,757	7,847,449	99.74	7,864,158	99.95
2020/2021	7,382,166	7,344,301	99.49	7,379,577	99.96

<sup>1</sup> 2024/2025 property taxes are currently in the process of collection/reporting and updated figures are not yet available from Benton County and Stearns Counties.

## SUMMARY OF DEBT AND DEBT STATISTICS

### Statutory Debt Limit<sup>1 2</sup>

Minnesota Statutes, Section 475.53 states that a city or county may not incur or be subject to a net debt in excess of three percent (3%) of its estimated market value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes.

Computation of Legal Debt Margin as of March 2, 2026:

2024/2025 Estimated Market Value	\$ 2,288,952,700
Multiplied by 3%	<u>                  x .03</u>
Statutory Debt Limit	<u>\$ 68,668,581</u>
Less outstanding debt applicable to debt limit:	
\$8,520,000 General Obligation Bonds, Series 2017A	\$ 285,000
\$17,580,000 General Obligation Bonds, Series 2018A	9,865,000
\$10,000,000 General Obligation Bonds, Series 2019A	6,555,000
\$5,925,000 General Obligation Bonds, Series 2020A	3,460,000
\$1,074,037 Lease Purchase Agreement 2021	211,946
\$13,610,000 General Obligation Bonds, Series 2022A	7,025,000
\$18,985,000 General Obligation Bonds, Series 2025	2,985,000
\$6,110,000 General Obligation Bonds, Series 2026A (Portion of This Issue)	<u>1,275,000</u>
Total Debt applicable to debt limit:	\$ 31,661,946
Legal debt margin	<u>\$ 37,006,635</u>

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<sup>1</sup> Effective June 2, 1997 and pursuant to Minnesota Statutes 465.71, any lease revenue or public project revenue bond issues/agreements of \$1,000,000 or more are subject to the statutory debt limit. Lease revenue or public project revenue bond issues/agreements less than \$1,000,000 are not subject to the statutory debt limit.

<sup>2</sup> Pursuant to Minnesota Statutes Section 475.521, capital improvement bonds are not subject to the statutory debt limit established in Section 475.53 if the issuer's population is less than 2,500.

**CITY OF SARTELL, MINNESOTA**  
**GENERAL OBLIGATION DEBT PAYABLE FROM TAXES**  
**(As of March 2, 2026, Plus a Portion of This Issue)**

Purpose:	G.O. Bonds, Series 2017A	G.O. Bonds, Series 2018A	G.O. Bonds, Series 2019A	G.O. Bonds, Series 2020A	Lease Purchase of 2021	
<b>Dated:</b>	09/07/17	05/31/18	02/01/19	07/15/20	10/12/21	
<b>Original Amount:</b>	\$1,270,000	\$14,195,000	\$10,000,000	\$4,745,000		
<b>Maturity:</b>	1-Feb	1-Feb	1-Feb	1-Feb	12-Oct	
<b>Interest Rates:</b>	2.00-3.00%	3.00-5.00%	3.00-5.00%	2.00-3.00%	1.35%	
2026	\$0	\$0	\$0	\$0	\$211,946	2026
2027	140,000	750,000	645,000	280,000	0	2027
2028	145,000	785,000	660,000	290,000	0	2028
2029	0	830,000	685,000	295,000	0	2029
2030	0	850,000	585,000	305,000	0	2030
2031	0	875,000	600,000	315,000	0	2031
2032	0	900,000	615,000	320,000	0	2032
2033	0	925,000	635,000	325,000	0	2033
2034	0	960,000	655,000	335,000	0	2034
2035	0	560,000	675,000	340,000	0	2035
2036	0	580,000	150,000	345,000	0	2036
2037	0	595,000	155,000	75,000	0	2037
2038	0	615,000	160,000	75,000	0	2038
2039	0	640,000	165,000	80,000	0	2039
2040	0	0	170,000	80,000	0	2040
2041	0	0	0	0	0	2041
2042	0	0	0	0	0	2042
2043	0	0	0	0	0	2043
2044	0	0	0	0	0	2044
2045	0	0	0	0	0	2045
2046	0	0	0	0	0	2046
	\$285,000	\$9,865,000	\$6,555,000	\$3,460,000	\$211,946	
	(1)	(2)		(3)		

**GENERAL OBLIGATION DEBT PAYABLE FROM TAXES CONTINUED**

	Portion of This Issue			TOTAL PRINCIPAL:	TOTAL PRIN & INT:	
	G.O. Bonds, Series 2022A	G.O. Bonds, Series 2025A	G.O. Bonds, Series 2026A			
	08/09/22	05/28/25	04/02/26			
	\$7,625,000	\$2,985,000	\$1,275,000			
	1-Feb	1-Feb	1-Feb			
	4.00-5.00%	4.00-5.00%				
2026	\$0	\$0	\$0	\$211,946	\$211,946	2026
2027	275,000	90,000	0	2,180,000	2,180,000	2027
2028	295,000	95,000	70,000	2,340,000	2,340,000	2028
2029	305,000	100,000	70,000	2,285,000	2,285,000	2029
2030	325,000	105,000	70,000	2,240,000	2,240,000	2030
2031	335,000	110,000	75,000	2,310,000	2,310,000	2031
2032	355,000	120,000	75,000	2,385,000	2,385,000	2032
2033	375,000	125,000	80,000	2,465,000	2,465,000	2033
2034	395,000	130,000	80,000	2,555,000	2,555,000	2034
2035	405,000	135,000	85,000	2,200,000	2,200,000	2035
2036	425,000	145,000	85,000	1,730,000	1,730,000	2036
2037	445,000	150,000	90,000	1,510,000	1,510,000	2037
2038	465,000	155,000	90,000	1,560,000	1,560,000	2038
2039	485,000	160,000	95,000	1,625,000	1,625,000	2039
2040	505,000	170,000	100,000	1,025,000	1,025,000	2040
2041	525,000	180,000	105,000	810,000	810,000	2041
2042	545,000	185,000	105,000	835,000	835,000	2042
2043	565,000	195,000	0	760,000	760,000	2043
2044	0	205,000	0	205,000	205,000	2044
2045	0	210,000	0	210,000	210,000	2045
2046	0	220,000	0	220,000	220,000	2046
	\$7,025,000	\$2,985,000	\$1,275,000	\$31,661,946	\$31,661,946	
	(4)	(5)	(6)			

**NOTE: 54% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAXES WILL BE RETIRED WITHIN TEN YEARS.**

- (1) This schedule represents a portion of the \$8,520,000 General Obligation Bonds, Series 2017A, dated September 7, 2017, consisting of \$3,830,000 payable from special assessments, \$3,420,000 payable from an abatement levy, and \$1,270,000 payable from ad valorem taxes.
- (2) This schedule represents a portion of the \$17,580,000 General Obligation Bonds, Series 2018A, dated May 31, 2018, consisting of \$14,195,000 payable from ad valorem taxes, \$3,385,000 payable from water and sewer revenues.
- (3) This schedule represents a portion of the \$5,925,000 General Obligation Bonds, Series 2021A, dated July 15, 2020, consisting of \$4,745,000 payable from ad valorem taxes, \$1,180,000 payable from water and sewer revenues.
- (4) This schedule represents a portion of the \$13,610,000 General Obligation Bonds, Series 2022A, dated August 9, 2022, consisting of \$7,625,000 payable from ad valorem taxes, \$5,985,000 payable from water, sanitary, and sewer revenues.
- (5) This schedule represents a portion of the \$18,985,000 General Obligation Bonds, Series 2025A, dated May 28, 2025, consisting of \$2,985,000 payable from ad valorem taxes, \$6,775,000 payable from special assessments, and \$9,225,000 payable from water, storm water, and sewer revenues.
- (6) This schedule represents a portion of the \$3,345,000 General Obligation Bonds, Series 2026A, dated April 2, 2026, consisting of \$1,065,000 payable from ad valorem taxes and \$2,280,000 payable from water and sewer revenues.

**CITY OF SARTELL, MINNESOTA**  
**GENERAL OBLIGATION DEBT PAYABLE FROM SPECIAL ASSESSMENTS**  
**(As of March 2, 2026)**

Purpose:	G.O. Bonds, Series 2017A	G.O. Improvement Refunding Bonds, Series 2018C	G.O. Bonds, Series 2025A			
<b>Dated:</b>	09/07/17	06/28/18	05/28/25			
<b>Original Amount:</b>	\$3,420,000	\$3,445,000	\$6,775,000			
<b>Maturity:</b>	1-Feb	1-Feb	1-Feb	<b>TOTAL</b>	<b>TOTAL</b>	
<b>Interest Rates:</b>	2.00-3.00%	3.00%	4.00-5.00%	<b>PRINCIPAL:</b>	<b>PRIN &amp; INT:</b>	
2026	\$0	\$0	\$0	\$0	\$185,216	2026
2027	430,000	290,000	210,000	930,000	1,286,531	2027
2028	435,000	300,000	220,000	955,000	1,282,194	2028
2029	0	305,000	230,000	535,000	836,431	2029
2030	0	315,000	240,000	555,000	835,381	2030
2031	0	0	255,000	255,000	518,281	2031
2032	0	0	265,000	265,000	515,281	2032
2033	0	0	280,000	280,000	516,656	2033
2034	0	0	295,000	295,000	517,281	2034
2035	0	0	305,000	305,000	512,281	2035
2036	0	0	325,000	325,000	516,531	2036
2037	0	0	340,000	340,000	516,606	2037
2038	0	0	350,000	350,000	512,806	2038
2039	0	0	365,000	365,000	511,681	2039
2040	0	0	385,000	385,000	512,931	2040
2041	0	0	405,000	405,000	513,181	2041
2042	0	0	425,000	425,000	514,291	2042
2043	0	0	440,000	440,000	511,175	2043
2044	0	0	460,000	460,000	512,050	2044
2045	0	0	480,000	480,000	512,075	2045
2046	0	0	500,000	500,000	510,938	2046
	<u>\$865,000</u>	<u>\$1,210,000</u>	<u>\$6,775,000</u>	<u>\$8,850,000</u>	<u>\$12,649,800</u>	
	(1)		(2)			

**NOTE: 53% OF GENERAL OBLIGATION DEBT PAYABLE FROM SPECIAL ASSESSMENTS WILL BE RETIRED WITHIN TEN YEARS.**

- (1) This schedule represents a portion of the \$8,520,000 General Obligation Bonds, Series 2017A, dated September 7, 2017, consisting of \$3,830,000 payable from special assessments, \$3,420,000 payable from an abatement levy, and \$1,270,000 payable from ad valorem taxes.
- (2) This schedule represents a portion of the \$18,985,000 General Obligation Bonds, Series 2025A, dated May 28, 2025, consisting of \$2,985,000 payable from ad valorem taxes, \$6,775,000 payable from special assessments, and 9,225,000 payable from water, storm water, and sewer revenues.

**CITY OF SARTELL, MINNESOTA**  
**GENERAL OBLIGATION DEBT PAYABLE FROM TAX ABATEMENTS**  
**(As of March 2, 2026)**

Purpose:	G.O. Tax Abatement Bonds, Series, 2015A	G.O. Tax Abatement Bonds, Series 2016A	G.O. Bonds, Series 2017A			
<b>Dated:</b>	08/06/15	08/04/16	09/07/17			
<b>Original Amount:</b>	\$5,370,000	\$9,950,000	\$3,830,000			
<b>Maturity:</b>	1-Feb	1-Feb	1-Feb	<b>TOTAL</b>	<b>TOTAL</b>	
<b>Interest Rates:</b>	2.00-3.00%	2.00-3.00%	2.00-3.00%	<b>PRINCIPAL:</b>	<b>PRIN &amp; INT:</b>	
2026	\$0	\$0	\$0	\$0	\$135,472	2026
2027	385,000	530,000	165,000	1,080,000	1,338,700	2027
2028	395,000	540,000	170,000	1,105,000	1,338,500	2028
2029	405,000	550,000	170,000	1,125,000	1,331,419	2029
2030	420,000	560,000	175,000	1,155,000	1,332,769	2030
2031	430,000	570,000	180,000	1,180,000	1,328,394	2031
2032	0	580,000	190,000	770,000	894,169	2032
2033	0	595,000	195,000	790,000	894,803	2033
2034	0	610,000	200,000	810,000	894,492	2034
2035	0	625,000	205,000	830,000	893,597	2035
2036	0	640,000	210,000	850,000	892,192	2036
2037	0	655,000	220,000	875,000	894,056	2037
2038	0	0	225,000	225,000	228,375	2038
	\$2,035,000	\$6,455,000	\$2,305,000	<u>\$10,795,000</u>	<u>\$12,396,938</u>	

(1)

**NOTE: 90% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAX INCREMENTS WILL BE RETIRED WITHIN TEN YEARS.**

(1) This schedule represents a portion of the \$8,520,000 General Obligation Bonds, Series 2017A, dated September 7, 2017, consisting of \$3,830,000 payable from special assessments, \$3,420,000 payable from an abatement levy, and \$1,270,000 payable from ad valorem taxes.

**CITY OF SARTELL, MINNESOTA**  
**GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES**  
**(As of March 2, 2026, Plus a Portion of This Issue)**

Purpose:	G.O. Bonds, Series 2018A	G.O. Refunding Bonds, Series 2018B	G.O. Bonds, Series 2020A	G.O. Bonds, Series 2022A
<b>Dated:</b>	05/31/18	06/28/18	07/15/20	08/09/22
<b>Original Amount:</b>	\$3,385,000	\$7,610,000	\$1,180,000	\$5,985,000
<b>Maturity:</b>	1-Feb	1-Aug	1-Feb	1-Feb
<b>Interest Rates:</b>	3.00-5.00%	3.00%	2.00-3.00%	4.00-5.00%

2026	\$0	\$0	\$0	\$0	2026
2027	380,000	795,000	120,000	220,000	2027
2028	400,000	830,000	125,000	230,000	2028
2029	415,000	570,000	125,000	240,000	2029
2030	0	0	130,000	250,000	2030
2031	0	0	130,000	265,000	2031
2032	0	0	0	280,000	2032
2033	0	0	0	290,000	2033
2034	0	0	0	310,000	2034
2035	0	0	0	320,000	2035
2036	0	0	0	330,000	2036
2037	0	0	0	350,000	2037
2038	0	0	0	370,000	2038
2039	0	0	0	380,000	2039
2040	0	0	0	400,000	2040
2041	0	0	0	410,000	2041
2042	0	0	0	425,000	2042
2043	0	0	0	445,000	2043
2044	0	0	0	0	2044
2045	0	0	0	0	2045
2046	0	0	0	0	2046

	\$1,195,000	\$2,195,000	\$630,000	\$5,515,000
	(1)		(2)	(3)

## General Obligation Debt Payable from Revenues Continued

Purpose:	Portion of This Issue				
	G.O. Bonds, Series 2025A	G.O. Bonds, Series 2026A			
Dated:	05/28/25	04/02/26			
Original Amount:	\$9,225,000	\$4,835,000			
Maturity:	1-Feb	1-Feb			
Interest Rates:	4.00-5.00%		<b>TOTAL</b>	<b>TOTAL</b>	
			<b>PRINCIPAL:</b>	<b>PRIN &amp; INT:</b>	
2026	\$0	\$0	\$0	\$406,447	2026
2027	295,000	205,000	2,015,000	3,010,262	2027
2028	305,000	180,000	2,070,000	2,928,806	2028
2029	325,000	185,000	1,860,000	2,641,368	2029
2030	340,000	195,000	915,000	1,635,719	2030
2031	355,000	195,000	945,000	1,627,360	2031
2032	370,000	200,000	850,000	1,493,581	2032
2033	395,000	210,000	895,000	1,499,054	2033
2034	410,000	210,000	930,000	1,493,969	2034
2035	430,000	220,000	970,000	1,493,431	2035
2036	455,000	225,000	1,010,000	1,489,145	2036
2037	480,000	235,000	1,065,000	1,498,059	2037
2038	500,000	245,000	1,115,000	1,503,546	2038
2039	515,000	250,000	1,145,000	1,486,389	2039
2040	540,000	260,000	1,200,000	1,489,594	2040
2041	565,000	275,000	1,250,000	1,485,199	2041
2042	595,000	285,000	1,305,000	1,485,759	2042
2043	620,000	300,000	1,365,000	1,490,770	2043
2044	650,000	305,000	955,000	1,032,101	2044
2045	670,000	320,000	990,000	1,025,690	2045
2046		335,000	335,000	342,286	2046
	\$8,815,000	\$4,835,000	\$23,185,000	\$32,558,535	
	(4)	(5)			

**NOTE: 54% OF GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES WILL BE RETIRED WITHIN TEN YEARS.**

- (1) This schedule represents a portion of the \$17,580,000 General Obligation Bonds, Series 2018A, dated May 31, 2018, consisting of \$14,195,000 payable from ad valorem taxes, \$3,385,000 payable from water and sewer revenues.
- (2) This schedule represents a portion of the \$5,925,000 General Obligation Bonds, Series 2021A, dated July 15, 2020, consisting of \$4,745,000 payable from ad valorem taxes, \$1,180,000 payable from water and sewer revenues.
- (3) This schedule represents a portion of the \$13,610,000 General Obligation Bonds, Series 2022A, dated August 9, 2022, consisting of \$7,625,000 payable from ad valorem taxes, \$5,985,000 payable from water, sanitary, and sewer revenues.
- (4) This schedule represents a portion of the \$18,985,000 General Obligation Bonds, Series 2025A, dated May 28, 2025, consisting of \$2,985,000 payable from ad valorem taxes, \$6,775,000 payable from special assessments, and 9,225,000 payable from water, storm water, and sewer revenues.
- (5) This schedule represents a portion of the \$3,345,000 General Obligation Bonds, Series 2026A, dated April 2, 2026, consisting of \$1,275,000 payable from ad valorem taxes and \$4,835,000 payable from water and sewer revenues.

**Indirect Debt\***

<u>Issuer</u>	<u>2024/2025 Tax Capacity Value<sup>(1)</sup></u>	<u>2024/2025 Tax Capacity Value in City<sup>(1)</sup></u>	<u>Percentage Applicable in City</u>	<u>Outstanding General Obligation Debt</u>	<u>Taxpayers' Share of Debt</u>
Stearns County	\$239,466,641	\$23,020,746	9.61%	\$1,345,000	\$ 129,255
Benton County	54,657,313	2,026,946	3.71	1,325,000	49,158
ISD No. 748, Sartell – St. Stephen	28,682,186	21,299,379	74.26	82,054,049	60,933,337
ISD No. 047, Sauk Rapids	34,037,797	1,782,764	5.24	54,870,000	2,875,188
ISD No. 742, St. Cloud	124,058,411	1,965,549	1.58	194,584,895	<u>3,074,441</u>
				<i>Total Indirect Debt:</i>	<u>\$ 67,061,379</u>

*(Remainder of page intentionally left blank)*

\* Only those taxing jurisdictions with general obligation debt outstanding that is not payable from revenues are included. Debt figures do not include non-general obligation debt, short-term general obligation debt, general obligation debt payable from revenues, or general obligation tax/aid anticipation certificates of indebtedness. Debt listed is as of March 2, 2026, unless otherwise noted.

(1) Tax Capacity Value is after tax increment deduction adjustments.

## General Obligation Debt

Bonds secured by taxes (Portion of This Issue)	\$ 31,661,946
Bonds secured by special assessments	8,850,000
Bonds secured by tax abatement	10,795,000
Bonds secured by water/sewer revenues (Portion of This Issue)	<u>23,185,000</u>
Subtotal	\$ 74,491,946
Less bonds secured by water/sewer revenues	( <u>23,185,000</u> )
<i>Direct General Obligation Debt</i>	51,306,946
Add taxpayers' share of indirect debt	<u>67,061,379</u>
<i>Direct and Indirect Debt</i>	<u>\$ 118,368,325</u>

## Notes on Other Obligations

The City of Sartell pays the City of St. Cloud monthly for debt service payments related to the wastewater system. These payments are secured by wastewater user fees and not a general obligation of the City of Sartell. See Note 7.E. "Notes Payable from Direct Borrowings" in the City's Financial Statements for the Fiscal Year ended December 31, 2024, for more detailed information.

During the year-ended December 31, 2024, the City obtained a letter of credit in the amount of \$3,430,879 through Deerwood Bank. This letter of credit serves as financial assurance for the City's landfill estimated closure and post-closure care costs. This 2024 letter of credit replaced a letter of credit that the City obtained in 2023 and did not use. The 2024 letter of credit was not used during 2024. See Note 8 "Landfill Closure and Post-Closure Care Costs" in the City's Financial Statements for the Fiscal Year ended December 31, 2024, for more detailed information.

## Facts for Ratio Computations

2024/2025 Economic Market Value (real and personal property)	\$2,382,021,775
Population (2026 City estimate)	19,955

## Debt Ratios Excluding Revenue-Supported Debt

	<i>Direct Debt</i>	<i>Indirect Debt</i>	<i>Direct and Indirect Debt</i>
To Economic Market Value	2.15%	2.82%	4.97%
Per Capita	\$2,571	\$3,361	\$5,932

## **APPENDIX A**

### **Form of Legal Opinion**

PROPOSED FORM OF LEGAL OPINION

\$6,110,000  
GENERAL OBLIGATION BONDS, SERIES 2026A  
CITY OF SARTELL  
BENTON AND STEARNS COUNTIES  
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Sartell, Benton and Stearns Counties, Minnesota (the "Issuer"), of its \$6,110,000 General Obligation Bonds, Series 2026A, bearing a date of original issue of April 2, 2026 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer, and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is

excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur and be retroactive.

TAFT STETTINIUS & HOLLISTER LLP

## **APPENDIX B**

### **Form of Continuing Disclosure**

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of Sartell, Minnesota (the "Issuer"), in connection with the issuance of its \$6,110,000 General Obligation Bonds, Series 2026A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on March 9, 2026 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated \_\_\_\_\_, 2026, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

### SECTION 3. Provision of Annual Reports.

A. If Audited Financial Statements of the Issuer for the Fiscal Year ended December 31, 2025, are not included in the Final Official Statement, then the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the MSRB by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB, an Annual Report consisting only of Audited Financial Statements for such Fiscal Year that are consistent with the requirements of Section 4B of this Disclosure Undertaking by not later than December 31, 2026.

B. Beginning in connection with the Fiscal Year ending on December 31, 2026, the Issuer shall, or shall cause the Dissemination Agent to provide to the MSRB by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2027, and by December 31 of each year thereafter.

C. If the Issuer is unable to provide to the MSRB an Annual Report by the dates required in subsections A or B, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the captions: Economic and Financial Information – "Valuations," "Tax Capacity Rates" and "Tax Levies and Collections;" and Summary of Debt and Debt Statistics.

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial

statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and,
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions

of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: April 2, 2026.

CITY OF SARTELL, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

## **APPENDIX C**

### **City's Financial Statement**

The following financial statements are for the year ended December 31, 2024. The financial report for the year 2024 and the prior two years are available for inspection at the Sartell City Hall and the office of Northland Securities, Inc. The reader of this Official Statement should be aware that the complete financial report may have further data relating to the excerpts presented in the appendix which may provide additional explanation, interpretation or modification of the excerpts.

**City of Sartell  
Stearns and Benton Counties, Minnesota**

**Basic Financial Statements**

**December 31, 2024**



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**City of Sartell  
Elected Officials and Administration  
December 31, 2024**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Ryan Fitzthum	Mayor	December 31, 2026
Alex Lewandowski	Council Member	December 31, 2024
Jill Smith	Council Member	December 31, 2024
Tim Elness	Council Member	December 31, 2026
Jed Meyer	Council Member	December 31, 2026
 <u>Administration</u>		
Anna Gruber	City Administrator	
Rob Voshell	Finance Director	

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the , Minnesota, as of and for the year December 31, 2024, and the related notes to the basic financial statements, which collectively comprise 's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the , as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and Local Sales Tax Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sartell's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025, on our consideration of the City of Sartell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sartell's internal control over financial reporting and compliance.

*BerganKDV, Ltd.*

St. Cloud, Minnesota  
April 11, 2025

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## City of Sartell Management's Discussion and Analysis

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

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent year by \$126,437,371 (net position). Of this amount, \$1,823,258 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,538,158.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$6,681,030, a decrease of \$62,416. Of the total amount of fund balances, \$300,937 are nonspendable; \$4,144,809 are restricted; \$2,093,898 are committed; and \$141,386 are unassigned.
- At the end of the current year, unassigned fund balance for the General Fund was \$5,031,054, or 44% of budgeted General Fund expenditures for 2025. This is within the City's financial policy guidelines for maintenance of operating reserves.
- The City's total debt decreased by \$2,489,849 during the current year, from \$75,749,829 to \$73,259,980. In 2024, the City issued debt of \$4,034,495 for the Saint Cloud wastewater facility metro force main project and had principal payments of \$6,805,307. Compensated Absences payable increased by \$280,963 in 2024 in part due to the new compensated absences GASB standard.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### **Government-Wide Financial Statements**

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

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

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

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

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

**Government-Wide Financial Statements (Continued)**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, economic development, interest on long-term debt, and culture and recreation. The business-type activities of the City include the water, sewer, and storm water utilities.

The government-wide financial statements can be found on pages 22-23 of this report.

**Fund Financial Statements**

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

**Governmental Funds**

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

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

The City maintains 33 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Local Sales Tax Fund, and Street Fund, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 24-32 of this report.

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

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

**Proprietary Funds**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, stormwater, and landfill operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, stormwater, and landfill operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

**Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 37-76 of this report.

**Required Supplementary and Other Information**

The required supplementary information and combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 78-113 of this report.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$126,437,371 at the close of the most recent year.

**City of Sartell's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 17,633,253	\$ 19,491,930	\$ 6,908,051	\$ 8,775,173	\$ 24,541,304	\$ 28,267,103
Capital assets	93,602,050	97,695,255	98,070,908	90,991,174	191,672,958	188,686,429
<b>Total assets</b>	<b>\$ 111,235,303</b>	<b>\$ 117,187,185</b>	<b>\$ 104,978,959</b>	<b>\$ 99,766,347</b>	<b>\$ 216,214,262</b>	<b>\$ 216,953,532</b>
Deferred outflows of resources	\$ 4,435,621	\$ 5,464,490	\$ 111,166	\$ 191,925	\$ 4,546,787	\$ 5,656,415
Long-term liabilities	\$ 51,612,972	\$ 58,288,289	\$ 22,985,705	\$ 20,853,240	\$ 74,598,677	\$ 79,141,529
Other liabilities	5,945,572	6,931,932	3,828,260	3,742,997	9,773,832	10,674,929
<b>Total liabilities</b>	<b>\$ 57,558,544</b>	<b>\$ 65,220,221</b>	<b>\$ 26,813,965</b>	<b>\$ 24,596,237</b>	<b>\$ 84,372,509</b>	<b>\$ 89,816,458</b>
Deferred inflows of resources	\$ 9,742,029	\$ 9,754,939	\$ 209,140	\$ 139,337	\$ 9,951,169	\$ 9,894,276
<b>Net Position</b>						
Net investment in capital assets	\$ 49,191,997	\$ 50,075,835	\$ 74,229,598	\$ 69,232,265	\$ 116,063,450	\$ 111,176,532
Restricted for						
Debt service	5,405,209	5,521,369	-	-	5,405,209	5,521,369
Sales tax	1,913,103	2,294,999	-	-	1,913,103	2,294,999
Public safety	220,218	641,268	-	-	220,218	641,268
Parks	346,786	257,601	-	-	346,786	257,601
Pension	192,075	241,303	-	-	192,075	241,303
Other purposes	473,272	552,859	-	-	473,272	552,859
Unrestricted	(9,372,309)	(11,908,719)	3,837,422	5,990,433	1,823,258	2,213,282
<b>Total net position</b>	<b>\$ 48,370,351</b>	<b>\$ 47,676,515</b>	<b>\$ 78,067,020</b>	<b>\$ 75,222,698</b>	<b>\$ 126,437,371</b>	<b>\$ 122,899,213</b>

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

Of the City's net position, \$116,063,450 is invested in capital assets, \$5,405,209 is restricted for debt service, \$1,913,103 for purposes defined by the local area sales tax, \$220,218 for public safety, \$346,786 is restricted for parks, \$192,075 is restricted for pension, and \$473,272 is restricted as other special revenue funds. The balance of unrestricted net position, \$1,823,258 may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$3,538,158 in 2024; governmental activities accounts for 7% of the increase in net position or \$260,937 while business-type activities contributed \$3,277,221 or 93% to the increase.

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

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

**City of Sartell's Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,886,779	\$ 2,513,117	\$ 7,080,770	\$ 7,189,926	\$ 9,967,549	\$ 9,703,043
Operating grants and contributions	686,856	491,504	-	-	686,856	491,504
Capital grants and contributions	3,721,048	5,725,568	2,965,249	902,607	6,686,297	6,628,175
General revenues						
Property taxes	10,145,885	9,273,471	-	-	10,145,885	9,273,471
Sales tax	2,001,432	2,013,265	-	-	2,001,432	2,013,265
Tax increment	222,675	195,191	-	-	222,675	195,191
Intergovernmental	1,728,672	674,545	14,346	60	1,743,018	674,605
Investment income	243,421	333,953	311,968	523,976	555,389	857,929
Gain on Sale of Asset	-	-	86,909	-	86,909	-
Total revenues	21,636,768	21,220,614	10,459,242	8,616,569	32,096,010	29,837,183
<b>Expenses</b>						
Governmental activities						
General government	1,375,091	1,418,120	-	-	1,375,091	1,418,120
Public safety	6,930,627	6,349,202	-	-	6,930,627	6,349,202
Public works	6,523,348	8,776,777	-	-	6,523,348	8,776,777
Parks and recreation	4,348,218	2,147,558	-	-	4,348,218	2,147,558
Community/economic development	811,237	794,756	-	-	811,237	794,756
Interest on long-term debt	1,435,088	1,551,703	-	-	1,435,088	1,551,703
Business-type activities						
Water	-	-	3,107,839	2,918,374	3,107,839	2,918,374
Sewer	-	-	3,131,452	3,449,071	3,131,452	3,449,071
Stormwater	-	-	808,215	746,401	808,215	746,401
Landfill	-	-	86,737	-	86,737	-
Total expenses	21,423,609	21,038,116	7,134,243	7,113,846	28,557,852	28,151,962
Increase in net position before transfers	213,159	182,498	3,324,999	1,502,723	3,538,158	1,685,221
Transfers	47,778	102,783	(47,778)	(102,783)	-	-
Increase in net position	260,937	285,281	3,277,221	1,399,940	3,538,158	1,685,221
<b>Net Position</b>						
Beginning	47,676,515	47,391,234	75,222,698	73,822,758	122,899,213	121,213,992
Accounting Change	432,899	-	(432,899)	-	-	-
Beginning, as restated	48,109,414	47,391,234	74,789,799	73,822,758	122,899,213	121,213,992
Ending	\$ 48,370,351	\$ 47,676,515	\$ 78,067,020	\$ 75,222,698	\$ 126,437,371	\$ 122,899,213

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

**GOVERNMENTAL ACTIVITIES**

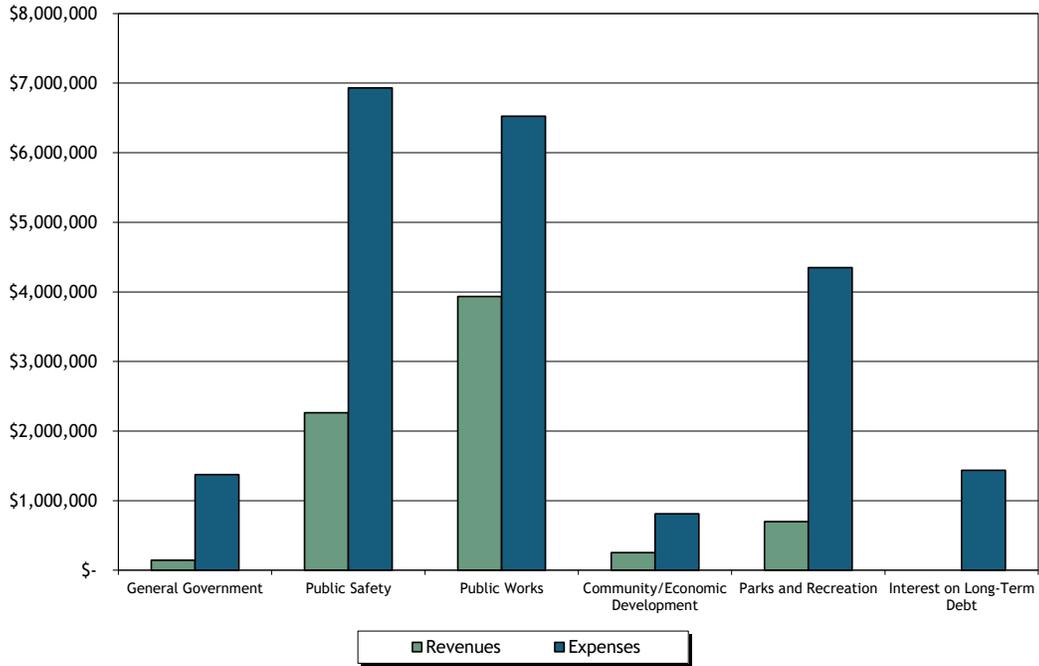
Governmental activities increased the City's net position by \$260,937, accounting for 7% of the total growth in net position; key elements of this increase as well as other highlights of the governmental activities are as follows:

- Property tax revenue had the most significant increase in revenue over the prior year amounting to \$872,414. The City had a tax levy increase of 10% in 2024.
- Investment earnings revenue decreased \$90,532 from the prior year. With interest rates increasing in the fixed income securities market, the fair market value of the City's portfolio has stabilized. The City's investments are held to maturity, meaning any unrealized gains or losses will be retained as such.
- Capital grants and contributions revenue decreased \$2,004,520 from the prior year primarily due the City receiving a majority of the 19th Ave South and County Road 1 project grant, along with the one-time public safety aid in the prior year. The City received \$3,721,048 in capital grant and contributions in 2024 due primarily to the following grants: \$1,149,834 in MSA funds for road projects, \$1,575,000 in roads donated from developers, \$325,494 for a fire truck, and \$143,027 for improvements at the mill site.
- Charges for services revenue increased \$373,662 from the prior year primarily due to significant building and development activity in 2024 resulting in higher building permit and building plan review fees than the previous year.
- Transfers in decreased \$55,005 in 2024 due to larger transfers in 2023 resulting from the 19<sup>th</sup> Avenue South and County Road 1 governmental activity and business-type activity split.
- Expenses increased \$385,493 or 2% in 2024. The City made a strategic effort this year to strengthen reserve funds, ensuring future funding for street maintenance projects and capital equipment.

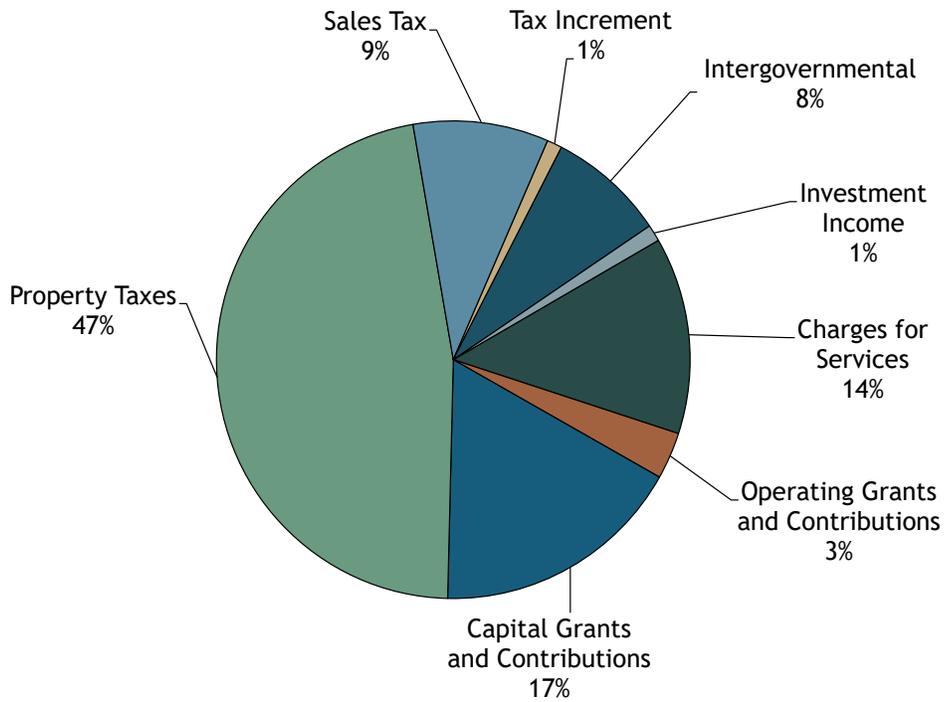
**City of Sartell  
Management's Discussion and Analysis**

**GOVERNMENTAL ACTIVITIES (CONTINUED)**

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



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

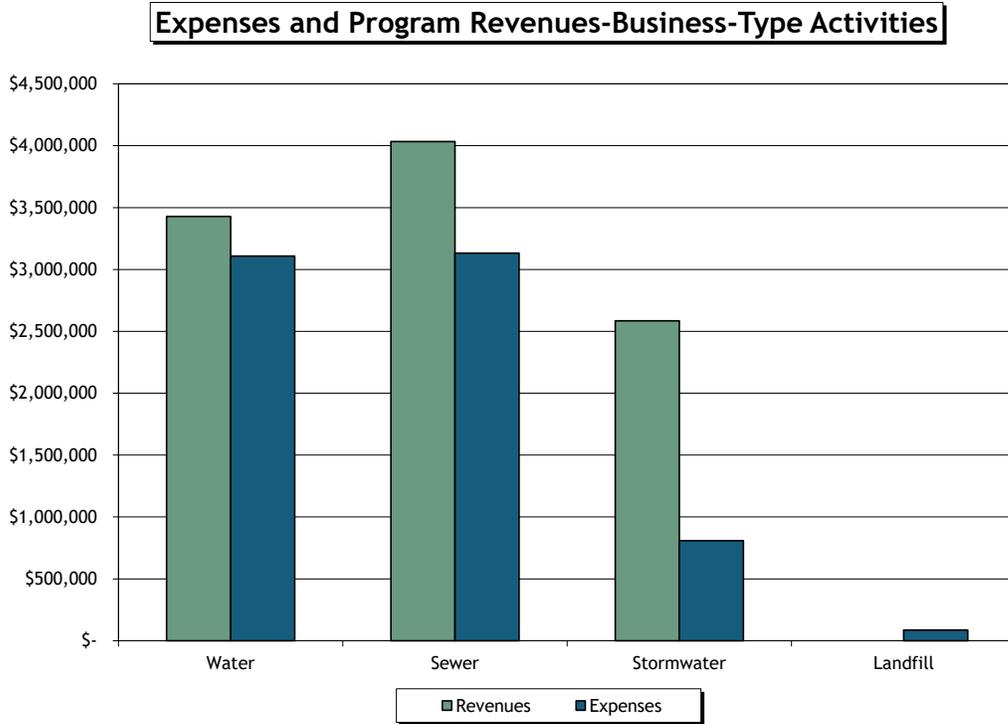
**BUSINESS-TYPE ACTIVITIES**

Business-type activities increased the City's net position by \$3,277,221, accounting for 93% of the total growth in net position; key elements of this increase as well as other highlights of the business-type activities are as follows:

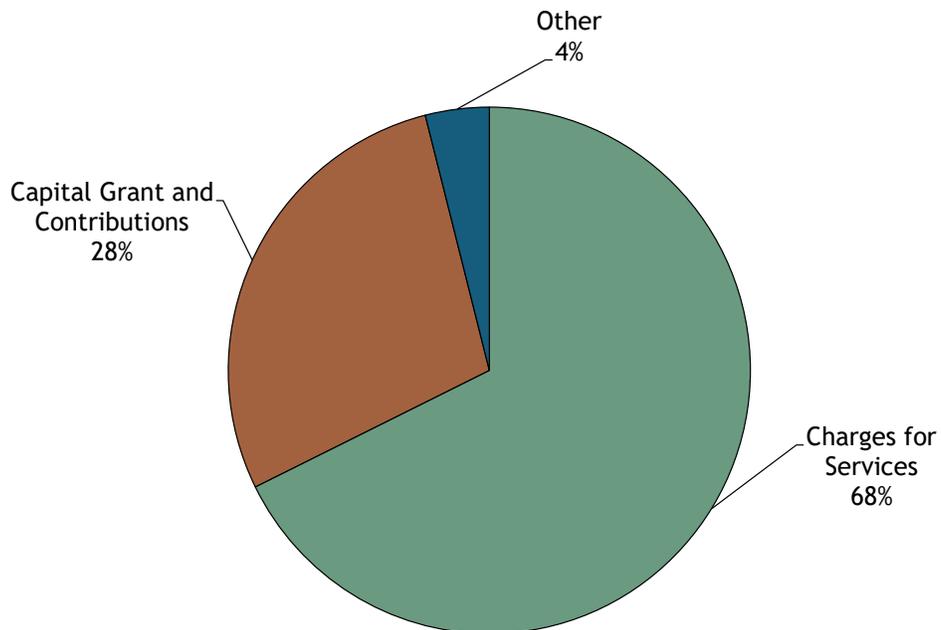
- Charges for services revenue decreased \$109,156 from the prior year due to a decrease in usage as a result of a wetter summer and less irrigation being necessary. In 2024, the City's water rates increased 5%, sewer rates increased 7%, and stormwater rates increased 3%.
- Capital grants and contributions revenue increased \$2,062,642 primarily due to the State appropriation for flood hazard mitigation and the FEMA grant award for the City to fund generators at each lift station.
- Investment earnings revenue decreased \$212,008 from the prior year. With interest rates increasing in the fixed income securities market, the fair market value of the City's portfolio has stabilized. The City's investments are held to maturity, meaning any unrealized gains or losses will be retained as such.
- Expenses increased \$20,397 or less than 1% in 2024. The City made a strategic effort this year to strengthen reserve funds, ensuring future funding for street maintenance projects and capital equipment.
- Transfers out decreased \$55,005 in 2024 due to larger transfers in 2023 resulting from the 19<sup>th</sup> Avenue South and County Road 1 governmental activity and business-type activity split.

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

**BUSINESS-TYPE ACTIVITIES (CONTINUED)**



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



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

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

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

**Governmental Funds**

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

As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$6,681,030, a decrease of \$62,416 in comparison with the prior year. Of the total amount of fund balance, \$141,386 constitutes unassigned fund balance, which is available for spending at the government's discretion. See Note 9 to the basic financial statements for additional detail on the fund balance amounts.

Major Governmental Funds

The General Fund revenues exceed expenditures by \$282,213 and after including the other financing sources and uses, the net change in fund balance was an increase of \$671,596. Other financing sources and uses reported \$493,128 of budgeted transfers into the General Fund but were offset by the transfers out of \$136,500. The General Fund balance at year end was \$5,385,273. Further detail on the 2024 General Fund activity is found later in this analysis.

The Local Sales Tax Fund had a fund balance of \$1,845,501 as of December 31, 2024, a decrease of \$449,498 from 2023. Expenditures and transfers out outpaced revenue as planned, resulting in a decrease in fund balance, while still remaining in the City's fund reserve policy.

The Street Fund has a fund balance of (\$3,088,242) as of December 31, 2024, a decrease of \$1,325,094 from 2023. The Street Fund transferred \$2,123,210 to the 2021 South Transportation Fund to close out this Fund.

Non-major Governmental Funds

The non-major other governmental funds experienced an increase in fund balance of \$1,040,580 in 2024 as the City built up fund reserves to plan for future capital purchases.

**Proprietary Funds**

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

The unrestricted net position in the respective proprietary funds are water utility \$2,552,320, sewer utility \$943,588, stormwater utility \$1,823,244, and landfill (\$1,481,830).

The Water Fund had an increase in net position of \$403,608. The increase in 2024 is primarily due to an operational income with depreciation of \$3,268 plus capital contributions of \$648,404.

The Sewer Fund had an increase in net position of \$1,285,438. The increase in 2024 is primarily due to revenues exceeding expenses, and the lift station generator grant covering most of the capital expenses.

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

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

**Proprietary Funds (Continued)**

The Stormwater Fund had an increase in net position of \$1,674,912. The increase in 2024 is primarily due to the flood hazard mitigation grant covering all of the project capital expenses.

The Landfill Fund currently has a negative net position due to closure liabilities and startup costs. The landfill is expected to receive permits and become operational in 2025.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**Budget Amendments**

During the year there were no budget amendments to the original budget.

**Budget to Actual**

**Revenue**

Overall, actual revenues exceeded the budgeted revenue total by 6.6%. The most significant variance was in miscellaneous revenues, which were \$258,809 over budget, due to conservative budgeting for these revenue streams, most notably refunds and reimbursements and investment income, which can vary from year-to-year. Intergovernmental revenues were over budget by \$198,909 due to the receipt of a new police cadet grant in 2024 and increases in police and fire aid. Licenses and permits revenues were over budget by \$150,968 due to budgeting conservatively for building activity.

**Expenditures**

General Fund expenditures came in over budget by \$181,487, or 1.8%, in total. The most significant variance occurred in parks and recreation expenditures, which were over budget \$77,920 across wages and benefits, repairs and maintenance, and capital outlay. Public safety expenditures were \$69,893 over budget primarily due to police overtime exceeding budgeted amounts and the addition of police cadets, which were funded with grants. Partially offsetting these variances, general government expenditures were under budget by \$67,704 due to conservative budgeting.

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

**CAPITAL ASSETS**

The City's investment in capital assets for its governmental and business type activities as of December 31, 2024 amounted to \$191,672,958 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, furniture and office equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current year was \$2,986,529, or 2%. The increase is a result of more infrastructure from capital projects.

**City of Sartell's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 9,963,009	\$ 12,681,211	\$ 2,212,102	\$ 1,278,594	\$ 12,175,111	\$ 13,959,805
Right of Ways and Easements	1,443,452	1,443,452	-	-	1,443,452	1,443,452
Construction in Progress	1,528,168	16,489,256	3,778,475	10,460,461	5,306,643	26,949,717
Buildings	31,494,074	31,401,474	14,446,217	14,446,217	45,940,291	45,847,691
Infrastructure-Improvements						
Other than Buildings	113,252,436	95,878,914	103,449,504	91,782,629	216,701,940	187,661,543
Sewer Rights	-	-	22,753,352	18,961,245	22,753,352	18,961,245
Machinery and Equipment	13,482,655	12,801,591	2,299,385	2,177,079	15,782,040	14,978,670
Subscription Assets	156,084	156,084	-	-	156,084	156,084
Less: Accumulated Depreciation	(77,717,828)	(73,156,727)	(50,868,127)	(48,115,051)	(128,585,955)	(121,271,778)
<b>Total</b>	<b>\$ 93,602,050</b>	<b>\$ 97,695,255</b>	<b>\$ 98,070,908</b>	<b>\$ 90,991,174</b>	<b>\$ 191,672,958</b>	<b>\$ 188,686,429</b>

Additional information on the City's capital assets can be found in Note 6 of this report.

**LONG-TERM LIABILITIES**

At the end of the current year, the City had total bonded debt outstanding of \$60,485,000, a decrease of \$5,125,000 from 2023. This amount is comprised of G.O. debt of \$57,040,000 and debt supported by special assessments of \$3,445,000.

Additional long-term debt amounts to \$11,535,110 in notes and loans payable representing the City's share of expenses related to sewer conveyance infrastructure and upgrade and expansion of the St. Cloud Wastewater Treatment Plant and Nutrient Recovery and Reuse Project (NR2), \$421,069 of water meter project financed purchase agreement, \$1,417,181 of landfill closure liability, \$63,031 of subscription liability, and compensated absences in the amount of \$755,770.

**City of Sartell's Long-Term Liabilities**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Compensated Absences	\$ 681,211	\$ 399,953	\$ 74,559	\$ 74,854	\$ 755,770	\$ 474,807
G.O. Bonds	49,220,000	52,975,000	-	-	49,220,000	52,975,000
Subscription Liability	63,031	105,338	-	-	63,031	105,338
Landfill Closure/Post-Closure	-	1,400,953	1,417,181	-	1,417,181	1,400,953
G.O. Revenue	-	-	11,265,000	12,635,000	11,265,000	12,635,000
Financed Purchase Payable	-	-	421,069	627,406	421,069	627,406
Notes From Direct Borrowing	-	-	11,535,110	8,932,278	11,535,110	8,932,278
<b>Total</b>	<b>\$ 49,964,242</b>	<b>\$ 54,881,244</b>	<b>\$ 24,712,919</b>	<b>\$ 22,269,538</b>	<b>\$ 74,677,161</b>	<b>\$ 77,150,782</b>

## City of Sartell Management's Discussion and Analysis

### LONG-TERM LIABILITIES (CONTINUED)

The above table does not include any unamortized loss or gain on refunding's nor issuance premiums and discounts. This along with additional information on the City's long term debt can be found in Note 7.

The landfill liability is a new liability to the City in 2023. The landfill was purchased in 2023 along with the former mill site property.

State statues limit the amount of general obligation debt a Minnesota city may issue up to 3% of total estimated market value. The current debt limitation for the City is \$64,356,000. Only \$16,830,000 of the City's outstanding debt is counted within the statutory limitation.

In June of 2022, Standard & Poors' Rating Service rated the City as AA. Standard & Poor's rationale behind this rating is "A strong and growing local economy, strong institutional framework score, and a weak debt and contingent liability profile, with high debt service carrying charges but rapid amortization." An updated rating was not obtained in 2024 due to no new bonds being issued.

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

The City experienced significant growth in the valuation of commercial and residential properties during 2024. The valuation increase resulted in an increase to the City's tax capacity of over 9% in 2024. In 2025, the valuation increase is 3%, which is slightly below historical averages.

The 2024 LGA allotment of \$786,337 represents a \$327,178 or 71% increase from the 2023 amount of \$459,159 and comprises 8% of the funding for the 2024 General Fund budget. In 2025, the City of Sartell is certified to receive a \$789,584 allotment, which represents a less than 1% increase from 2024, which comprises 7% of the funding for the 2025 General Fund budget. The significant changes to the 2024 allotment were primarily due to an annual appropriation increase of \$80 million to the program.

In 2023, the City secured \$2,500,000 in funding for flood hazard mitigation in the North Central Watab Watershed. Additionally, the City received \$1,757,038 to address stormwater management and street improvements in the same area.

In September of 2024, the Sartell City Council has signed a Purchase Agreement with Niron Magnetics for 79 acres of public land on the east side of 4th Avenue South. This property, part of the 167-acre Champion Plat acquired by the City of Sartell in 2023 during the purchase of the Mill District, marks a significant development for the community. The Purchase Agreement kicks off a 180-day due diligence period between the City of Sartell and Niron Magnetics. During this period, a subsidy agreement will be negotiated, and specific criteria must be met for the property purchase to close.

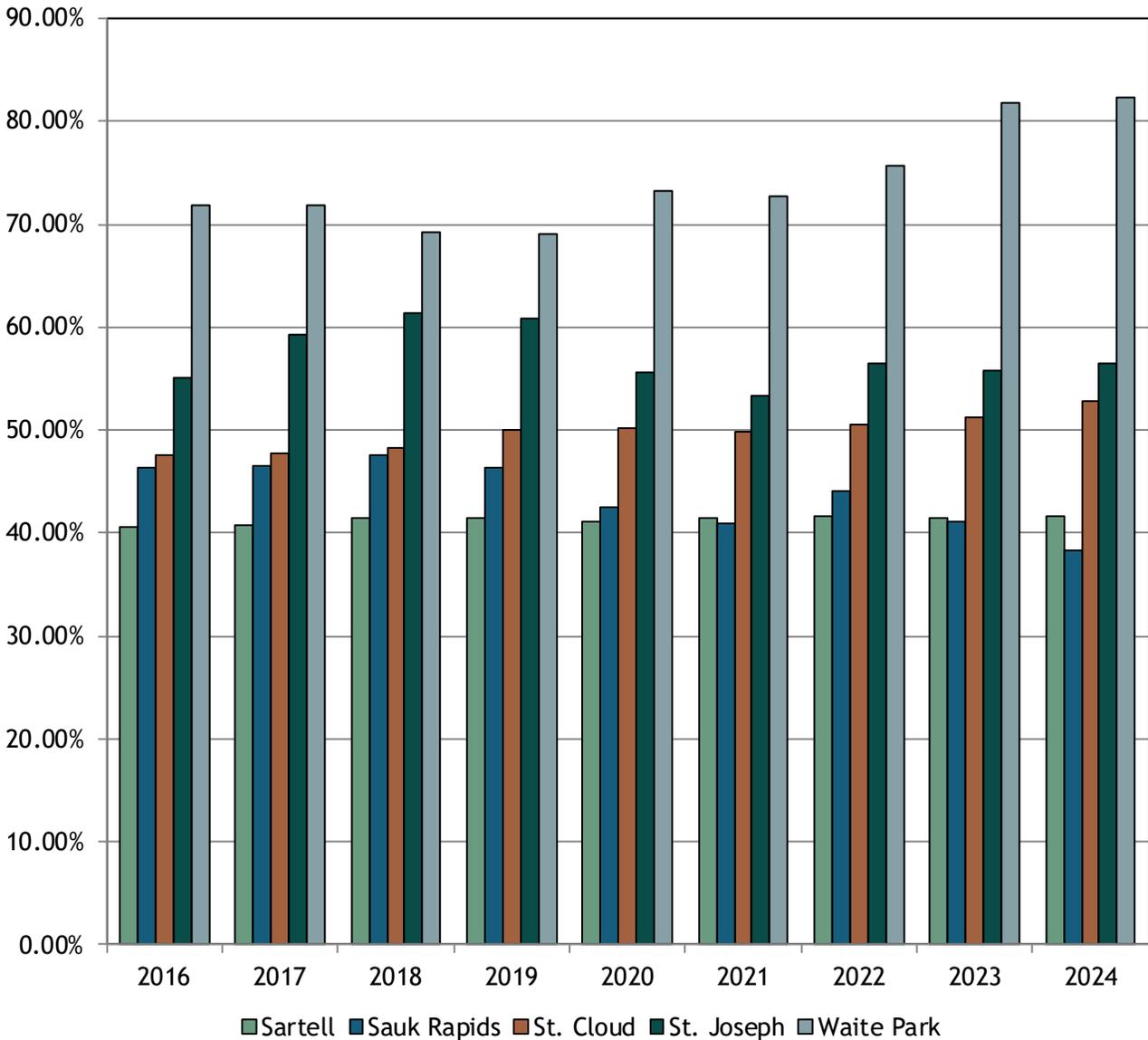
In 2024, the City completed a comprehensive water utility rate study to evaluate potential changes to its rate structure, including tiered billing based on usage. The study also provided recommendations for municipal utility fees and charges. While the City ultimately chose to maintain the existing rate structure for 2025, the analysis now serves as a valuable tool for future planning.

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

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

The City has entered into a lobbyist agreement to assist the City in securing funding at the 2025 legislative session for roadway and utility improvements to support the Central Minnesota Healthcare Hub. The City was successful in securing funds for Phase 1 of this project at the 2022 legislative session.

All of these factors were considered in preparing the City of Sartell's budget for the 2025 fiscal year.



**REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director at 125 Pinecone Road North, Sartell, Minnesota 56377.

## **BASIC FINANCIAL STATEMENTS**

City of Sartell  
Statement of Net Position  
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 7,727,285	\$ 4,977,426	\$ 12,704,711
Taxes receivable - delinquent	59,132	-	59,132
Special assessments receivable			
Deferred	4,869,473	43,066	4,912,539
Interest receivable	25,334	23,424	48,758
Accounts receivable	229,227	1,129,958	1,359,185
Internal balances	812,500	(812,500)	-
Due from other governments	1,229,977	1,508,003	2,737,980
Inventories	1,265,684	-	1,265,684
Prepaid items	300,937	38,674	339,611
Leases receivable	921,629	-	921,629
Net pension asset	192,075	-	192,075
Capital assets not being depreciated			
Land	9,963,009	2,212,102	12,175,111
Rights of ways and easements	1,443,452	-	1,443,452
Construction in progress	1,528,168	3,778,475	5,306,643
Capital assets, net of accumulated depreciation/amortization			
Buildings	24,591,120	8,275,385	32,866,505
Infrastructure	48,753,740	-	48,753,740
Sewer and water improvements	-	63,418,887	63,418,887
Sewer rights	-	18,931,135	18,931,135
Machinery and equipment	7,240,353	1,454,924	8,695,277
Subscription asset	82,208	-	82,208
Total assets	<u>111,235,303</u>	<u>104,978,959</u>	<u>216,214,262</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pensions	4,435,621	111,166	4,546,787
<b>Total assets and deferred outflows of resources</b>	<u>\$ 115,670,924</u>	<u>\$ 105,090,125</u>	<u>\$ 220,761,049</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 602,339	\$ 597,890	\$ 1,200,229
Due to other governments	76,378	381,506	457,884
Salaries and benefits payable	121,382	14,251	135,633
Unearned revenue	192,943	1,750	194,693
Interest payable	664,571	178,369	842,940
Compensated absences payable			
Payable within one year	217,988	23,858	241,846
Payable after one year	463,223	50,701	513,924
Bond principal payable (net)			
Payable within one year	4,050,000	1,295,000	5,345,000
Payable after one year	47,655,167	10,590,131	58,245,298
Subscription liability			
Payable within one year	19,971	-	19,971
Payable after one year	43,060	-	43,060
Notes payable from direct borrowing			
Payable within one year	-	1,075,812	1,075,812
Payable after one year	-	10,459,298	10,459,298
Finance purchase payable			
Payable within one year	-	209,123	209,123
Payable after one year	-	211,946	211,946
Landfill closure/post-closure liability			
Payable after one year	-	1,417,181	1,417,181
Net pension liability	<u>3,451,522</u>	<u>307,149</u>	<u>3,758,671</u>
Total liabilities	<u>57,558,544</u>	<u>26,813,965</u>	<u>84,372,509</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pensions	4,903,528	209,140	5,112,668
Lease receivable	838,501	-	838,501
Advanced appropriations - state shared taxes	4,000,000	-	4,000,000
Total deferred inflows of resources	<u>9,742,029</u>	<u>209,140</u>	<u>9,951,169</u>
<b>Net Position</b>			
Net investment in capital assets	49,191,997	74,229,598	116,063,450
Restricted for			
Debt service	5,405,209	-	5,405,209
Sales tax	1,913,103	-	1,913,103
Public safety	220,218	-	220,218
Parks	346,786	-	346,786
Pension	192,075	-	192,075
Economic and community development	172,024	-	172,024
Streets	128,805	-	128,805
Other purposes	172,443	-	172,443
Unrestricted	<u>(9,372,309)</u>	<u>3,837,422</u>	<u>1,823,258</u>
Total net position	<u>48,370,351</u>	<u>78,067,020</u>	<u>126,437,371</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 115,670,924</u>	<u>\$ 105,090,125</u>	<u>\$ 220,761,049</u>

See notes to basic financial statements.

**City of Sartell**  
**Statement of Activities**  
**Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities</b>							
General government	\$ 1,375,091	\$ 130,215	\$ 15,142	\$ -	\$ (1,229,734)	\$ -	\$ (1,229,734)
Public safety	6,930,627	1,363,010	574,089	325,494	(4,668,034)	-	(4,668,034)
Public works	6,523,348	754,959	66,428	3,111,537	(2,590,424)	-	(2,590,424)
Community and economic development	811,237	26,212	-	227,634	(557,391)	-	(557,391)
Parks and recreation	4,348,218	612,383	31,197	56,383	(3,648,255)	-	(3,648,255)
Interest on long-term debt	1,435,088	-	-	-	(1,435,088)	-	(1,435,088)
<b>Total governmental activities</b>	<b>21,423,609</b>	<b>2,886,779</b>	<b>686,856</b>	<b>3,721,048</b>	<b>(14,128,926)</b>	<b>-</b>	<b>(14,128,926)</b>
<b>Business-type activities</b>							
Water	3,107,839	2,947,096	-	481,500	-	320,757	320,757
Sewer	3,131,452	3,545,773	-	487,391	-	901,712	901,712
Stormwater	808,215	587,901	-	1,996,358	-	1,776,044	1,776,044
Landfill	86,737	-	-	-	-	(86,737)	(86,737)
<b>Total business-type activities</b>	<b>7,134,243</b>	<b>7,080,770</b>	<b>-</b>	<b>2,965,249</b>	<b>-</b>	<b>2,911,776</b>	<b>2,911,776</b>
<b>Total governmental and business-type activities</b>	<b>\$ 28,557,852</b>	<b>\$ 9,967,549</b>	<b>\$ 686,856</b>	<b>\$ 6,686,297</b>	<b>(14,128,926)</b>	<b>2,911,776</b>	<b>(11,217,150)</b>
<b>General revenues</b>							
Property taxes					10,145,885	-	10,145,885
Sales tax					2,001,432	-	2,001,432
Tax increments					222,675	-	222,675
Intergovernmental					1,728,672	14,346	1,743,018
Unrestricted investment earnings					243,421	311,968	555,389
Gain on sale of asset					-	86,909	86,909
<b>Transfers</b>					<b>47,778</b>	<b>(47,778)</b>	<b>-</b>
<b>Total general revenues and transfers</b>					<b>14,389,863</b>	<b>365,445</b>	<b>14,755,308</b>
<b>Change in net position</b>					<b>260,937</b>	<b>3,277,221</b>	<b>3,538,158</b>
<b>Net position - beginning</b>					<b>47,676,515</b>	<b>75,222,698</b>	<b>122,899,213</b>
Accounting change (Note 14)					432,899	(432,899)	-
<b>Net position - beginning, as restated</b>					<b>48,109,414</b>	<b>74,789,799</b>	<b>122,899,213</b>
<b>Net position - ending</b>					<b>\$ 48,370,351</b>	<b>\$ 78,067,020</b>	<b>\$ 126,437,371</b>

**City of Sartell**  
**Balance Sheet - Governmental Funds**  
**December 31, 2024**

	General Fund (101)	Special Revenue Local Sales Tax (241)	Capital Project Street (417)
<b>Assets</b>			
Cash and investments	\$ 3,443,523	\$ 1,360,429	\$ -
Taxes receivable - delinquent	50,246	-	132
Special assessments receivable			
Deferred	-	-	2,887,330
Interest receivable	12,078	4,936	2,728
Due from other funds	1,614,459	-	-
Accounts receivable	92,448	-	132,673
Due from other governments	224,313	561,408	37,782
Land held for resale	-	-	-
Prepaid items	300,937	-	-
Lease receivable	921,629	-	-
Advances due from other funds	177,500	-	635,000
	<u>\$ 6,837,133</u>	<u>\$ 1,926,773</u>	<u>\$ 3,695,645</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 175,134	\$ 80,573	\$ 100,956
Due to other funds	-	-	615,748
Due to other governments	73,654	699	-
Salaries and benefits payable	121,382	-	-
Unearned revenue	192,943	-	-
Total liabilities	<u>563,113</u>	<u>81,272</u>	<u>716,704</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	50,246	-	132
Unavailable revenue - special assessments	-	-	2,887,330
Amount related to lease receivable	838,501	-	-
Advanced appropriations - state shared taxes	-	-	3,179,721
Total deferred inflows of resources	<u>888,747</u>	<u>-</u>	<u>6,067,183</u>
<b>Fund Balances</b>			
Nonspendable	300,937	-	-
Restricted	53,282	1,845,501	-
Committed	-	-	-
Unassigned	5,031,054	-	(3,088,242)
Total fund balances	<u>5,385,273</u>	<u>1,845,501</u>	<u>(3,088,242)</u>
	<u>\$ 6,837,133</u>	<u>\$ 1,926,773</u>	<u>\$ 3,695,645</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,837,133</u>	<u>\$ 1,926,773</u>	<u>\$ 3,695,645</u>

Other Governmental Funds	Total Governmental Funds
\$ 2,923,333	\$ 7,727,285
8,754	59,132
1,982,143	4,869,473
5,592	25,334
-	1,614,459
4,106	229,227
406,474	1,229,977
1,265,684	1,265,684
-	300,937
-	921,629
-	812,500
<u>\$ 6,596,086</u>	<u>\$ 19,055,637</u>
\$ 245,676	\$ 602,339
998,711	1,614,459
2,025	76,378
-	121,382
-	192,943
<u>1,246,412</u>	<u>2,607,501</u>
8,754	59,132
1,982,143	4,869,473
-	838,501
820,279	4,000,000
<u>2,811,176</u>	<u>9,767,106</u>
-	300,937
2,246,026	4,144,809
2,093,898	2,093,898
(1,801,426)	141,386
<u>2,538,498</u>	<u>6,681,030</u>
<u>\$ 6,596,086</u>	<u>\$ 19,055,637</u>

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**City of Sartell**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**December 31, 2024**

Total fund balances - governmental funds	\$ 6,681,030
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Capital assets	171,319,878
Less accumulated depreciation/amortization	(77,717,828)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bond principal payable	(49,220,000)
Subscription liability	(63,031)
Compensated absences payable	(681,211)
Net pension liability	(3,451,522)
Bond premium	(2,485,167)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred outflows of resources related to pensions	4,435,621
Deferred inflows of resources related to pensions	(4,903,528)
Fire Relief Association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.	192,075
Governmental funds do not report a liability for accrued interest until due and payable.	(664,571)
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property taxes	59,132
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred special assessments	4,869,473
Total net position - governmental activities	\$ 48,370,351

**City of Sartell**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2024**

	Special Revenue		Capital Project	
	General Fund (101)	Local Sales Tax (241)	19th Avenue South (437)	Street (417)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 7,185,568	\$ -	\$ -	\$ 700,117
Sales	-	1,859,510	-	-
Tax increment	-	-	-	-
Special assessments	-	-	-	106,654
Licenses and permits	848,468	-	-	-
Franchise fees	-	-	-	600,085
Intergovernmental	1,447,329	143,028	-	1,191,992
Charges for services	839,643	-	-	-
Fines and forfeitures	49,923	-	-	-
Miscellaneous				
Investment income	139,115	69,228	-	60,952
Contributions and donations	38,872	-	-	-
Refunds and reimbursements	213,611	-	-	-
Miscellaneous	27,461	-	-	-
Total revenues	<u>10,789,990</u>	<u>2,071,766</u>	<u>-</u>	<u>2,659,800</u>
<b>Expenditures</b>				
Current				
General government	1,152,861	-	-	-
Public safety	5,870,793	-	-	-
Public works	1,746,475	-	-	520,785
Community and economic development	412,825	-	-	-
Parks and recreation	1,305,575	592,281	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Public safety	-	-	-	-
Public works	-	-	-	209,070
Parks and recreation	19,248	186,426	-	-
Total expenditures	<u>10,507,777</u>	<u>778,707</u>	<u>-</u>	<u>729,855</u>
Excess of revenues over (under) expenditures	282,213	1,293,059	-	1,929,945
<b>Other Financing Sources (Uses)</b>				
Sale of property	-	-	-	-
Insurance recovery	32,755	-	-	-
Transfers in	493,128	-	-	-
Transfers out	(136,500)	(1,742,557)	-	(3,255,039)
Total other financing sources (uses)	<u>389,383</u>	<u>(1,742,557)</u>	<u>-</u>	<u>(3,255,039)</u>
Net change in fund balances	671,596	(449,498)	-	(1,325,094)
<b>Fund Balances</b>				
Beginning of year	4,713,677	2,294,999	(116,421)	(1,763,148)
Accounting change (Note 14)	-	-	116,421	-
Beginning of year, as restated	<u>4,713,677</u>	<u>2,294,999</u>	<u>-</u>	<u>(1,763,148)</u>
End of year	<u>\$ 5,385,273</u>	<u>\$ 1,845,501</u>	<u>\$ -</u>	<u>\$ (3,088,242)</u>

See notes to basic financial statements.

<u>Capital Project</u>		
<u>2021 South</u>	<u>Other</u>	<u>Total</u>
<u>Transportation</u>	<u>Governmental</u>	<u>Governmental</u>
<u>(454)</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ 2,257,907	\$ 10,143,592
-	141,922	2,001,432
-	222,675	222,675
-	275,663	382,317
-	-	848,468
-	-	600,085
-	1,525,748	4,308,097
-	209,894	1,049,537
-	841	50,764
-	(25,874)	243,421
-	67,383	106,255
-	4,617	218,228
-	4,983	32,444
-	<u>4,685,759</u>	<u>20,207,315</u>
-	6,922	1,159,783
-	55,287	5,926,080
-	872,027	3,139,287
-	380,147	792,972
-	216,450	2,114,306
-	3,797,307	3,797,307
-	1,676,636	1,676,636
-	679,933	679,933
-	1,265,040	1,474,110
-	216,523	422,197
-	<u>9,166,272</u>	<u>21,182,611</u>
-	(4,480,513)	(975,296)
-	393,204	393,204
-	-	32,755
-	5,536,017	6,029,145
-	(408,128)	(5,542,224)
-	<u>5,521,093</u>	<u>912,880</u>
-	1,040,580	(62,416)
(1,979,979)	3,594,318	6,743,446
<u>1,979,979</u>	<u>(2,096,400)</u>	<u>-</u>
-	<u>1,497,918</u>	<u>6,743,446</u>
\$ -	\$ 2,538,498	\$ 6,681,030

**City of Sartell**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to the**  
**Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2024**

Net change in fund balances - governmental funds \$ (62,416)

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

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

Capital outlay	2,505,215
Depreciation and amortization expense	(4,935,178)
Remaining book value of disposed assets	(1,831,045)
Transferred to enterprise funds	(439,143)
Donated Assets	1,575,000

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (281,258)

Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective. (54,017)

Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the Statement of Activities. 3,797,307

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 56,065

The governmental funds report the effect of bond premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of

Activities.

Amortization of bond premiums	185,483
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Delinquent receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.

Property taxes delinquent	2,293
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments deferred	(257,369)
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Change in net position - governmental activities \$ 260,937

**City of Sartell**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2024**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Taxes			
Property taxes	\$ 7,150,000	\$ 7,185,568	\$ 35,568
Licenses and permits	697,500	848,468	150,968
Intergovernmental revenue	1,248,420	1,447,329	198,909
Charges for services	819,220	839,643	20,423
Fines and forfeitures	47,400	49,923	2,523
Miscellaneous	160,250	419,059	258,809
Total revenues	<u>10,122,790</u>	<u>10,789,990</u>	<u>667,200</u>
<b>Expenditures</b>			
Current			
General government	1,220,565	1,152,861	(67,704)
Public safety	5,798,900	5,870,793	71,893
Public works	1,710,292	1,746,475	36,183
Community and economic development	346,630	412,825	66,195
Park and recreation	1,245,903	1,305,575	59,672
Capital outlay			
Public safety	2,000	-	(2,000)
Public works	1,000	-	(1,000)
Park and recreation	1,000	19,248	18,248
Total expenditures	<u>10,326,290</u>	<u>10,507,777</u>	<u>181,487</u>
Excess of revenues over (under) expenditures	(203,500)	282,213	485,713
<b>Other Financing Sources (Uses)</b>			
Insurance recovery	-	32,755	32,755
Transfers in	340,000	493,128	153,128
Transfers out	(136,500)	(136,500)	-
Total other financing sources (uses)	<u>203,500</u>	<u>389,383</u>	<u>185,883</u>
Net change in fund balances	<u>\$ -</u>	<u>671,596</u>	<u>\$ 671,596</u>
<b>Fund Balances</b>			
Beginning of year		<u>4,713,677</u>	
End of year		<u>\$ 5,385,273</u>	

City of Sartell  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances -  
Budget and Actual - Local Sales Tax Special Revenue Fund  
Year Ended December 31, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under)
<b>Revenues</b>			
Sales tax	\$ 1,900,000	\$ 1,859,510	\$ (40,490)
Intergovernmental	-	143,028	143,028
Investment income	-	69,228	69,228
Total revenues	<u>1,900,000</u>	<u>2,071,766</u>	<u>171,766</u>
<b>Expenditures</b>			
Current			
Parks and recreation	-	592,281	592,281
Capital outlay			
Parks and recreation	500,000	186,426	(313,574)
Total expenditures	<u>500,000</u>	<u>778,707</u>	<u>278,707</u>
Excess of revenues over (under) expenditures	1,400,000	1,293,059	(106,941)
<b>Other Financing Sources (Uses)</b>			
Transfers out	(1,742,557)	(1,742,557)	-
Total other financing sources (uses)	<u>(1,742,557)</u>	<u>(1,742,557)</u>	<u>-</u>
Net change in fund balances	<u>\$ (342,557)</u>	<u>(449,498)</u>	<u>\$ (106,941)</u>
<b>Fund Balances</b>			
Beginning of year		<u>2,294,999</u>	
End of year		<u>\$ 1,845,501</u>	

**City of Sartell**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2024**

	Water (601)	Sewer (602)	Stormwater (603)	Landfill (604)	Total
<b>Assets</b>					
<b>Current assets</b>					
Cash and investments	\$ 2,979,204	\$ 1,677,103	\$ 321,119	\$ -	\$ 4,977,426
Deferred special assessments	-	-	43,066	-	43,066
Interest receivable	11,900	7,253	4,271	-	23,424
Accounts receivable	430,957	599,143	99,858	-	1,129,958
Due from other funds	64,649	-	-	-	64,649
Due from other governments	13,276	25,713	1,469,014	-	1,508,003
Prepaid expenses	26,931	11,743	-	-	38,674
<b>Total current assets</b>	<b>3,526,917</b>	<b>2,320,955</b>	<b>1,937,328</b>	<b>-</b>	<b>7,785,200</b>
<b>Noncurrent assets</b>					
<b>Capital assets</b>					
Land	1,148,901	91,486	38,207	933,508	2,212,102
Construction in progress	183,813	2,187,464	1,407,198	-	3,778,475
Buildings	14,446,217	-	-	-	14,446,217
Sewer and water improvements	34,772,356	38,325,635	30,314,854	36,659	103,449,504
Sewer rights	-	22,753,352	-	-	22,753,352
Machinery and equipment	1,561,295	692,428	5,000	40,662	2,299,385
<b>Total capital assets</b>	<b>52,112,582</b>	<b>64,050,365</b>	<b>31,765,259</b>	<b>1,010,829</b>	<b>148,939,035</b>
Less accumulated depreciation	(20,918,018)	(20,096,869)	(9,804,605)	(48,635)	(50,868,127)
<b>Net capital assets</b>	<b>31,194,564</b>	<b>43,953,496</b>	<b>21,960,654</b>	<b>962,194</b>	<b>98,070,908</b>
<b>Total assets</b>	<b>34,721,481</b>	<b>46,274,451</b>	<b>23,897,982</b>	<b>962,194</b>	<b>105,856,108</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions	85,930	25,236	-	-	111,166
<b>Total assets and deferred outflows of resources</b>	<b>\$ 34,807,411</b>	<b>\$ 46,299,687</b>	<b>\$ 23,897,982</b>	<b>\$ 962,194</b>	<b>\$ 105,967,274</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts and contracts payable	\$ 82,924	\$ 421,606	\$ 93,360	\$ -	\$ 597,890
Salaries and benefits payable	11,007	3,244	-	-	14,251
Interest payable	82,312	75,433	20,624	-	178,369
Due to other funds	-	-	-	64,649	64,649
Due to other governments	18,928	362,578	-	-	381,506
Unearned revenue	1,750	-	-	-	1,750
Long-term liabilities due within one year	1,122,769	1,446,024	35,000	-	2,603,793
<b>Total current liabilities</b>	<b>1,319,690</b>	<b>2,308,885</b>	<b>148,984</b>	<b>64,649</b>	<b>3,842,208</b>
<b>Noncurrent liabilities</b>					
Advances due to other funds	406,250	406,250	-	-	812,500
Compensated absences	58,270	16,289	-	-	74,559
Notes payable	-	11,535,110	-	-	11,535,110
Financed purchase payable	421,069	-	-	-	421,069
Bonds payable	5,715,000	4,445,000	1,105,000	-	11,265,000
Premium on bonds payable	247,385	295,462	77,284	-	620,131
Landfill closure/post-closure liability	-	-	-	1,417,181	1,417,181
Net pension liability	237,423	69,726	-	-	307,149
Less amount due within one year	(1,122,769)	(1,446,024)	(35,000)	-	(2,603,793)
<b>Total noncurrent liabilities</b>	<b>5,962,628</b>	<b>15,321,813</b>	<b>1,147,284</b>	<b>1,417,181</b>	<b>23,848,906</b>
<b>Total liabilities</b>	<b>7,282,318</b>	<b>17,630,698</b>	<b>1,296,268</b>	<b>1,481,830</b>	<b>27,691,114</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to pensions	161,663	47,477	-	-	209,140
<b>Net Position</b>					
Net investment in capital assets	24,811,110	27,677,924	20,778,370	962,194	74,229,598
Unrestricted	2,552,320	943,588	1,823,344	(1,481,830)	3,837,422
<b>Total net position</b>	<b>27,363,430</b>	<b>28,621,512</b>	<b>22,601,714</b>	<b>(519,636)</b>	<b>78,067,020</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 34,807,411</b>	<b>\$ 46,299,687</b>	<b>\$ 23,897,982</b>	<b>\$ 962,194</b>	<b>\$ 105,967,274</b>

**City of Sartell**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended December 31, 2024**

	Water (601)	Sewer (602)	Stormwater (603)	Landfill (604)	Total
<b>Operating Revenues</b>					
Charges for services	\$ 2,926,410	\$ 3,550,824	\$ 587,901	\$ -	\$ 7,065,135
<b>Operating Expenses</b>					
Salaries and benefits	763,548	236,413	16,148	-	1,016,109
Supplies and maintenance	577,771	303,697	160,071	-	1,041,539
Utilities and telephone	97,407	67,867	-	-	165,274
Professional services	132,776	76,942	54,795	80,878	345,391
Sewer treatment	-	939,612	-	-	939,612
Depreciation	1,090,753	1,170,412	530,503	5,859	2,797,527
Other services and charges	260,887	42,576	1,410	-	304,873
Total operating expenses	<u>2,923,142</u>	<u>2,837,519</u>	<u>762,927</u>	<u>86,737</u>	<u>6,610,325</u>
Operating income (loss)	3,268	713,305	(175,026)	(86,737)	454,810
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	125,819	132,708	53,441	-	311,968
Intergovernmental	11,089	3,257	-	-	14,346
Gain on disposal of asset	-	86,909	-	-	86,909
Other income	20,686	(5,051)	-	-	15,635
Interest and debt service expense	(184,697)	(293,933)	(45,288)	-	(523,918)
Total nonoperating revenues (expenses)	<u>(27,103)</u>	<u>(76,110)</u>	<u>8,153</u>	<u>-</u>	<u>(95,060)</u>
Loss before capital contributions and transfers	(23,835)	637,195	(166,873)	(86,737)	359,750
Capital contributions	648,404	635,465	2,120,523	-	3,404,392
Transfers in	-	233,738	-	-	233,738
Transfers out	(220,961)	(220,960)	(278,738)	-	(720,659)
Change in net position	403,608	1,285,438	1,674,912	(86,737)	3,277,221
<b>Net Position</b>					
Beginning of year, as previously stated	26,959,822	27,336,074	20,926,802	-	75,222,698
Accounting change (Note 14)	-	-	-	(432,899)	(432,899)
Beginning of year	<u>26,959,822</u>	<u>27,336,074</u>	<u>20,926,802</u>	<u>(432,899)</u>	<u>74,789,799</u>
End of year	<u>\$ 27,363,430</u>	<u>\$ 28,621,512</u>	<u>\$ 22,601,714</u>	<u>\$ (519,636)</u>	<u>\$ 78,067,020</u>
Amounts reported for business-type activities in the Statement of Activities are different because					
Capital contributions were recorded for capital assets contributed from governmental activities					(439,143)
Capital assets transferred from governmental activities					<u>439,143</u>
Change in net position - business-type activities					<u>\$ 3,277,221</u>

**City of Sartell**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2024**

	Water (601)	Sewer (602)	Stormwater (603)	Landfill (604)	Total
<b>Cash Flows - Operating Activities</b>					
Receipts from customers and users	\$ 2,861,067	\$ 3,513,147	\$ 582,337	\$ -	\$ 6,956,551
Payments to suppliers	(1,148,854)	(1,623,349)	(284,071)	(64,649)	(3,120,923)
Payments to employees	(791,923)	(233,455)	(16,148)	-	(1,041,526)
Other receipts	31,775	(1,794)	-	-	29,981
Net cash flows - operating activities	<u>952,065</u>	<u>1,654,549</u>	<u>282,118</u>	<u>(64,649)</u>	<u>2,824,083</u>
<b>Cash Flows - Noncapital Financing Activities</b>					
Cash borrowed from other funds	-	-	-	64,649	64,649
Cash loaned to other funds	(64,649)	-	-	-	(64,649)
Long-term interfund loan payments made	(100,000)	(100,000)	-	-	(200,000)
Transfer from other funds	-	233,738	-	-	233,738
Transfer to other funds	(220,961)	(220,960)	(278,738)	-	(720,659)
Net cash flows - noncapital financing activities	<u>(385,610)</u>	<u>(87,222)</u>	<u>(278,738)</u>	<u>64,649</u>	<u>(686,921)</u>
<b>Cash Flows - Capital and Related Financing Activities</b>					
Principal paid on debt	(1,041,337)	(1,486,961)	(15,000)	-	(2,543,298)
Interest paid on debt	(231,120)	(322,435)	(49,875)	-	(603,430)
Capital grant receipts	11,565	198,746	231,735	-	442,046
Acquisition of capital assets	(297,682)	(1,502,480)	(1,228,783)	-	(3,028,945)
Net cash flows - capital and related financing activities	<u>(1,558,574)</u>	<u>(3,113,130)</u>	<u>(1,061,923)</u>	<u>-</u>	<u>(5,733,627)</u>
<b>Cash Flows - Investing Activities</b>					
Interest and dividends	132,260	147,918	57,990	-	338,168
Net change in cash and cash equivalents	(859,859)	(1,397,885)	(1,000,553)	-	(3,258,297)
<b>Cash and Cash Equivalents</b>					
Beginning of year	3,839,063	3,074,988	1,321,672	-	8,235,723
End of year	<u>\$ 2,979,204</u>	<u>\$ 1,677,103</u>	<u>\$ 321,119</u>	<u>\$ -</u>	<u>\$ 4,977,426</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>					
Operating income (loss)	\$ 3,268	\$ 713,305	\$ (175,026)	\$ (86,737)	\$ 454,810
Adjustments to reconcile operating income (loss) to net cash flows - operating activities					
Depreciation expense	1,090,753	1,170,412	530,503	5,859	2,797,527
Other receipts	31,775	(1,794)	-	-	29,981
Accounts receivable	(65,343)	(37,677)	(5,564)	-	(108,584)
Prepaid items	(2,891)	(197)	-	-	(3,088)
Accounts payable	(71,386)	(38,837)	(67,795)	-	(178,018)
Due to other governmental units	(5,736)	(153,621)	-	-	(159,357)
Salaries payable	893	473	-	-	1,366
Closure/post-closure liability	-	-	-	16,229	16,229
Pension related items	(28,005)	1,517	-	-	(26,488)
Compensated absences payable	(1,263)	968	-	-	(295)
Total adjustments	<u>948,797</u>	<u>941,244</u>	<u>457,144</u>	<u>22,088</u>	<u>2,369,273</u>
Net cash flows - operating activities	<u>\$ 952,065</u>	<u>\$ 1,654,549</u>	<u>\$ 282,118</u>	<u>\$ (64,649)</u>	<u>\$ 2,824,083</u>
<b>Noncash Capital and Related Financing Activities</b>					
Capital contributions from governmental funds	\$ 166,904	\$ 148,074	\$ 124,165	\$ -	\$ 439,143
Capital contributions from developers	472,500	472,500	472,500	-	1,417,500
Capital assets acquired via note issuance	-	4,035,495	-	-	4,035,495
Sale of sewer rights and cancelation of note payable	-	464,702	-	-	464,702
Accounting change related to assets from governmental activities	-	-	-	968,053	968,053
Accounting change related to liability from governmental activities	-	-	-	(1,400,952)	(1,400,952)

See notes to basic financial statements.

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

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

**A. Reporting Entity**

The City of Sartell is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is financially accountable.

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

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens, on the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

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

For each of the categories above, the specific entities are identified as follows:

**1. Blended Component Unit**

The Sartell Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the Sartell EDA is reported as if it were part of the primary government because the City Council is the EDA Governing Board. Separate financial statements are not prepared for the Sartell EDA.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

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

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

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

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

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

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

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

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

**Description of Funds:**

**Major Governmental Funds:**

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

Local Sales Tax Special Revenue Fund - This fund accounts for sales tax revenues and expenditures approved by voters as part of the local option sale tax. The main revenue source is sales tax revenue.

Street Capital Project Fund - This fund accounts for funding and expenditures for the City's street improvement projects.

**Proprietary Funds:**

Water Fund - This fund accounts for the operations of the City's water utility.

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

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

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

**Description of Funds: (Continued)**

Proprietary Funds: (Continued)

Sewer Fund - This fund accounts for the operations of the City's sanitary sewer utility.

Stormwater Fund - This fund accounts for the operations of the City's stormwater system.

Landfill Fund - This fund accounts for the operations of the City's landfill activities.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Stormwater Enterprise Funds are charges to customers for sales and services. 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.

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

**D. Assets, Liabilities, and Net Position or Equity**

**1. Deposits and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

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

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

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

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

Certain investments for the City are reported at fair value as disclosed in Note 3. 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.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund.

**2. Receivables and Payables**

All trade and property taxes receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditors for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Stearns County and Benton County are the collecting agencies for the levy and remit the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepare the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditors also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submit the list of taxes and special assessments to be collected on each parcel of property to the County Treasurers in January of each year.

**3. Inventory and Prepaid Items**

Inventory consists of land held for resale. Land held for resale is recorded at the lower of cost or net realizable value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as an expense/expenditure at the time of consumption.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, water, and sewer lines, and similar items), and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost as indicated on the table below. Such assets that also meet the capitalization thresholds defined in the table below are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Property, plant, equipment, and intangibles of the City meeting the capitalization threshold are depreciated using the straight-line method over the following estimated useful lives as listed on the following page.

Type of Asset	Capitalization Threshold	Years
Computers and electronics	\$ 10,000	5 - 20
Equipment	10,000	5 - 20
Vehicles	10,000	5 - 20
Buildings	20,000	12 - 40
Infrastructure	20,000	10 - 40
Land	1	N/A
Furniture and fixtures	10,000	5 - 10
Intangible	10,000	5 - 20
Construction in progress	Upon completion, per above class	

**5. Lease Receivable**

The City is a lessor for numerous noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**5. Lease Receivable (Continued)**

Key estimates and judgments include how the City determines (1) the discount rate, (2) lease term, (3) lease receipts, and (4) amortization.

The City determines the discount rate for leases based on its estimated current borrowing rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statements of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Advanced appropriations - state shared taxes is reported in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet for advances of municipal road construction aid received by the City from the State of Minnesota. The City presents deferred inflows of resources on the Statements of Net Position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

**7. Subscription-Based Information Technology Arrangements**

The City recorded right-to-use lease assets and corresponding subscription liabilities for two arrangements. The subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any payments made prior to the subscription term, less incentives, and plus ancillary charges necessary to place the subscription into service. The subscriptions are amortized on a straight-line basis over the life of the related subscription.

Key estimates and judgments related to subscriptions include (1) the discount rate, (2) term, (3) payments, and (4) amortization.

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**7. Subscription-Based Information Technology Arrangements (Continued)**

The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City determines its estimated borrowing rate. The subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the subscription liability are composed of fixed payments and purchase option the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of the subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**8. Compensated Absences**

Vacation time is earned at various rates dependent upon length of service with the City as well as employment contract. Vacation accrual carryovers also vary depending upon the employment contract. Full-time employees earn eight hours of sick leave per month to a maximum of 600 or 620 hours. Employees are not paid for accumulated sick leave when they leave the City. Benefits are recorded as expenditures in governmental funds when the obligation is expected to be liquidated with expendable financial resources. Benefits are recognized as liabilities in the Statements of Net Position when more likely than not to be paid or used.

**9. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method.

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

**10. Pensions**

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

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

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

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**11. Fund Equity**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- **Nonspendable Fund Balances** - These are amounts that cannot be spent because they are not in spendable form.
- **Restricted Fund Balances** - These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- **Committed Fund Balances** - These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision-making authority). A majority vote by the City Council is required to commit a fund balance and subsequently to remove or change any constraint adopted by the Council.
- **Assigned Fund Balances** - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council, by majority vote, may assign fund balances. The Council also delegates the power to assign fund balances to the City's Finance Director or City Administrator.
- **Unassigned Fund Balances** - These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.
- **Minimum Fund Balance Policy** - The City's target General Fund balance is to maintain General Fund working capital in an amount not below 40% or above 60% of the General Fund operating budget for the following calendar year.

**12. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. A reclassification of \$7,358,145 was made between this net position class and unrestricted net position in the total column of the Statement of Net Position to recognize the portion of debt attributable to capital assets donated from governmental activities to business-type activities. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. As of December 31, 2024, \$1,913,103 of the total net position restricted for capital projects related to half cent sales tax collections is restricted due to enabling legislation.

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

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

**E. Use of Estimates**

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

**F. Budgetary Information**

1. In September of 2023, City staff submitted to the City Council a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. Budgets for the General Fund, certain Special Revenue Funds, certain Debt Service Funds, certain Capital Project Funds, and the Utility Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Expenditures may not legally exceed budgeted appropriations at the department level. No fund's budget can be increased without City Council approval. The City Council may authorize transfers of budgeted amounts between departments within any fund.
6. Annual appropriated budgets are adopted during the year for the General Fund, certain Special Revenue Funds, certain Debt Service Funds, certain Capital Project Funds, and the Utility Funds. For the Capital Projects Funds without adopted budgets, budgetary control is accomplished through the use of project controls.
7. Budgeted amounts are as originally adopted by the City Council. Budgeted expenditure appropriations lapse at year-end.

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

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The following Funds had deficit fund balances at December 31, 2024:

Major Funds	
Street Capital Project Fund	\$ 3,088,242
Landfill Enterprise Fund	519,636
Nonmajor Funds	
Special Revenue Funds	
Public Safety Health	310
Debt Service Funds	
G.O. Improvement Bonds, Series 2012A	1,850
G.O. Tax Abatement Bonds, Series 2016A	29,516
G.O. Bonds, Series 2017A	806,469
Capital Project Funds	
Technology	6,193
19th Avenue South	174,555
West Side Reconstruction	782,533

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**A. Deposits**

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool is displayed in the financial statements as "cash and cash equivalents" or "cash and investments." For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized as follows. In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks authorized by the City Council.

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's policy states all deposits must be collateralized in compliance with *Minnesota Statutes* § 118A. As of December 31, 2024, the City's bank balance was not exposed to custodial credit risk because it was fully insured with FDIC with the remaining deposits being fully collateralized with securities held by the pledging financial institution's trust department or agency in the City's name. The City's deposits had a book balance as follows:

Checking - pooled	\$ 5,005
Certificate of deposits - pooled	1,039,227
	<hr/>
Total	\$ 1,044,227
	<hr/> <hr/>

**B. Investments**

As of December 31, 2024, the City had investments outlined on the following page.

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

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

**Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy states the City will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The City will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields; however, no more than 30% of the total investments should extend beyond 5 years. As of December 31, 2024, the City's investments follow the guidelines stated in its investment policy, but one was greater than 5% in single issuers.

Concentrations	Pooled
Municipal Bond - New York Transitional, NY	5%

**Credit Risk:** This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments. The City's investment policy states the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The City follows *Minnesota Statutes* § Section 118A for the list of all permissible investments for municipalities. The City's investments were rated as disclosed in the table that follows.

**Interest Rate Risk:** This is the risk that market values of securities in a portfolio would decrease due to changes in market interest rates. The City's investment policy states the City will structure its investment portfolio so that securities mature to meet cash requirements and invest its operating funds primarily in shorter-term securities, money market funds or similar investment pools.

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

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy states when a broker dealer holds investments purchased by the City in safekeeping, the broker/dealer must provide asset protection of \$500,000 through the Securities Investor Protector Corporation (SIPC) and at least another \$49.5 million supplemental insurance protection.

Type of Investments	Rating	Fair Value	year	1-5 years	5+ years
Pooled Investments					
Mutual Funds	NR	\$ 659,204	\$ 659,204	\$ -	\$ -
Certificates of Deposit	NR	853,461	243,714	609,747	-
Municipal Bonds	AA-	5,158,925	1,423,758	3,384,245	350,922
US Treasury Securities	AAA	229,656	229,656	-	-
4M	NR	4,758,738	4,758,738	-	-
		<u>\$ 11,659,984</u>	<u>\$ 7,315,070</u>	<u>\$ 3,993,992</u>	<u>\$ 350,922</u>

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

Type of Investments	Total	Level 1	Level 2
Mutual Funds	\$ 659,204	\$ 659,204	\$ -
Certificates of Deposit	853,461	-	853,461
Municipal Bonds	5,158,925	-	5,158,925
US Treasury Securities	229,656	-	229,656
	<u>\$ 6,901,246</u>	<u>\$ 659,204</u>	<u>\$ 6,242,042</u>
Investments at amortized cost	<u>4,758,738</u>		
Total investments	<u>\$ 11,659,984</u>		

**C. Balances**

A summary of total deposits and investments as of December 31, 2024, were as follows:

Deposits (Note 3.A.)	\$ 1,044,227
Petty Cash	500
Investments (Note 3.B.)	<u>11,659,984</u>
Total deposits and investments	<u>\$ 12,704,711</u>

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

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**C. Balances (Continued)**

Deposits and investments are presented in the December 31, 2024, basic financial statements as follows:

Statement of Net Position	
Cash and investments	<u>\$ 12,704,711</u>

**NOTE 4 - LEASE RECEIVABLE**

The City has entered into lease agreements with various external entities for the use of City owned property including sports fields and tower space. The City recognized lease rental revenue in the amount of \$206,430 during the year-ended December 31, 2024.

**NOTE 5 - INTERFUND BALANCES AND TRANSFERS**

**A. Interfund Balances**

The composition of interfund balances as of December 31, 2024, is as follows:

	Due from Other Funds		
	General Fund	Water	Total
Due to Other Funds			
Street	\$ 615,748	\$ -	\$ 615,748
Nonmajor	998,711	-	998,711
Landfill	-	64,649	64,649
	<u>\$ 1,614,459</u>	<u>\$ 64,649</u>	<u>\$ 1,679,108</u>
Total due to other funds			

	Advances Due from Other Funds		
	General	Street	Total
Advances Due to Other Funds			
Water	\$ 88,750	\$ 317,500	\$ 406,250
Sewer	88,750	317,500	406,250
	<u>\$ 177,500</u>	<u>\$ 635,000</u>	<u>\$ 812,500</u>
Total Advances			

Due to and due from other funds are amounts loaned between funds to cover cash deficits.

Advances between funds totaling \$812,500 were made to the City's Water and Sewer Funds to cover decreases in access charges received during years of decreased construction activity. Payments totaling \$200,000 from the Water and Sewer Funds were made in 2024.

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

**NOTE 5 - INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

**B . Interfund Transfers**

The composition of interfund transfers as of December 31, 2024, follows:

	Transfers In			Total
	General	Other Governmental Funds	Sewer	
Transfers Out				
General Fund	\$ -	\$ 136,500	\$ -	\$ 136,500
Local Sales Tax	-	1,742,557	-	1,742,557
Street	-	3,255,039	-	3,255,039
Other governmental funds	358,128	50,000	-	408,128
Water	45,000	175,961	-	220,961
Sewer	45,000	175,960	-	220,960
Storm	45,000	-	233,738	278,738
	<u>493,128</u>	<u>5,536,017</u>	<u>233,738</u>	<u>6,262,883</u>
Total transfers	<u>\$ 493,128</u>	<u>\$ 5,536,017</u>	<u>\$ 233,738</u>	<u>\$ 6,262,883</u>

The above transfers were made to close funds, to transfer leases, for debt service payments, to fund capital improvement projects, to fund equipment purchases, and as an administrative expenditure subsidy.

In addition, \$439,143 of capital assets transferred from governmental activities to business-type activities were reported as transfers in the government-wide financial statements.

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

**NOTE 6 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments/ Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 12,681,211	\$ -	\$ 1,784,694	\$ (933,508)	\$ 9,963,009
Right of ways and easements	1,443,452	-	-	-	1,443,452
Construction in progress	<u>16,489,256</u>	<u>2,293,074</u>	<u>17,254,162</u>	<u>-</u>	<u>1,528,168</u>
Total capital assets not being depreciated	<u>30,613,919</u>	<u>2,293,074</u>	<u>19,038,856</u>	<u>(933,508)</u>	<u>12,934,629</u>
Other capital assets					
Buildings	31,401,474	92,600	-	-	31,494,074
Infrastructure	95,878,914	17,254,162	-	119,360	113,252,436
Machinery and equipment	12,801,591	1,295,888	161,032	(453,792)	13,482,655
Subscription asset	<u>156,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,084</u>
Total other capital assets at historical cost	<u>140,238,063</u>	<u>18,642,650</u>	<u>161,032</u>	<u>(334,432)</u>	<u>158,385,249</u>
Less accumulated depreciation for					
Buildings	6,064,466	838,488	-	-	6,902,954
Infrastructure	61,432,224	3,304,405	-	(237,933)	64,498,696
Machinery and equipment	5,632,635	745,811	114,681	(21,463)	6,242,302
Less accumulated amortization for					
Subscription asset	<u>27,402</u>	<u>46,474</u>	<u>-</u>	<u>-</u>	<u>73,876</u>
Total accumulated depreciation/amortization	<u>73,156,727</u>	<u>4,935,178</u>	<u>114,681</u>	<u>(259,396)</u>	<u>77,717,828</u>
Total capital assets being depreciated, net	<u>67,081,336</u>	<u>13,707,472</u>	<u>46,351</u>	<u>(75,036)</u>	<u>80,667,421</u>
Governmental activities capital position, net	<u>\$ 97,695,255</u>	<u>\$ 16,000,546</u>	<u>\$ 19,085,207</u>	<u>\$ (1,008,544)</u>	<u>\$ 93,602,050</u>

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

Governmental activities	
General government	\$ 207,282
Public safety	627,723
Public works	3,409,081
Parks and recreation	<u>691,092</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 4,935,178</u>

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

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

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

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,278,594	\$ -	\$ -	\$ 933,508	\$ 2,212,102
Construction in progress	10,460,461	9,210,040	15,892,026	-	3,778,475
Total capital assets not being depreciated	<u>11,739,055</u>	<u>9,210,040</u>	<u>15,892,026</u>	<u>933,508</u>	<u>5,990,577</u>
Capital assets being depreciated					
Buildings	14,446,217	-	-	-	14,446,217
Sewer and water improvements	91,782,629	11,635,216	-	31,659	103,449,504
Sewer rights	18,961,245	4,256,809	464,702	-	22,753,352
Machinery and equipment	2,177,079	76,644	-	45,662	2,299,385
Total capital assets being depreciated	<u>127,367,170</u>	<u>15,968,669</u>	<u>464,702</u>	<u>77,321</u>	<u>142,948,458</u>
Less accumulated depreciation for					
Buildings	5,809,677	361,155	-		6,170,832
Sewer and water improvements	38,149,209	1,851,594	-	29,814	40,030,617
Sewer rights	3,470,491	438,635	86,909	-	3,822,217
Machinery and equipment	685,674	146,143	-	12,644	844,461
Total accumulated depreciation	<u>48,115,051</u>	<u>2,797,527</u>	<u>86,909</u>	<u>42,458</u>	<u>50,868,127</u>
Total capital assets being depreciated, net	<u>79,252,119</u>	<u>13,171,142</u>	<u>377,793</u>	<u>34,863</u>	<u>92,080,331</u>
Business-type activities capital assets, net	<u>\$ 90,991,174</u>	<u>\$ 22,381,182</u>	<u>\$ 16,269,819</u>	<u>\$ 968,371</u>	<u>\$ 98,070,908</u>

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

Business-type activities	
Water	\$ 1,090,753
Sewer	1,170,412
Stormwater	530,503
Landfill	<u>5,859</u>
Total depreciation expense - business-type activities	<u>\$ 2,797,527</u>

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

**NOTE 7 - LONG-TERM DEBT**

**A. General Obligation Bonds**

The City issues General Obligation (G.O.) bonds to provide for financing and street and other capital improvement projects. Debt service is covered by special assessments against benefited properties, SAC and WAC fees, and property tax levies.

G.O. bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 10-20 year serial bonds with equal debt service payments each year.

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

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

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

	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-term liabilities						
Governmental activities						
G.O. Bonds, Including						
Refunding Bonds						
Series 2012A	07/10/12	2.00%-2.50%	\$ 5,450,000	02/01/26	\$ 300,000	\$ 150,000
Series 2015A	08/06/15	2.00%-3.00%	5,370,000	02/01/31	2,775,000	365,000
Series 2016A	08/04/16	2.00%-3.00%	9,950,000	02/01/37	7,475,000	505,000
Series 2017A	09/07/17	2.00%-3.00%	8,520,000	02/01/38	4,865,000	695,000
Series 2018A	05/31/18	3.00%-5.00%	16,790,000	02/01/39	12,715,000	945,000
Series 2018C	06/28/18	3.00%	3,445,000	02/01/30	1,760,000	270,000
Series 2019A	02/01/19	2.00%-3.00%	10,000,000	02/01/40	7,790,000	605,000
Series 2020A	07/15/20	2.00%-3.00%	4,745,000	02/01/40	4,000,000	265,000
Series 2022A	08/09/22	4.00%-5.00%	7,625,000	02/01/43	7,540,000	250,000
Total governmental bonds					49,220,000	4,050,000
Unamortized premium					2,485,167	-
Subscription liability					63,031	19,971
Compensated absences					681,211	217,988
Total governmental activities					<u>52,449,409</u>	<u>4,287,959</u>
Business-type activities						
G.O. Utility Revenue Bonds, Including Refunding Bonds						
Series 2012A	07/10/12	2.00%-2.50%	1,865,000	02/01/26	350,000	170,000
Series 2018A	05/31/18	3.00%-5.00%	790,000	02/01/29	445,000	80,000
Series 2018B	06/28/18	3.00%	7,610,000	08/01/29	3,700,000	740,000
Series 2020A	07/15/20	2.00%-3.00%	1,180,000	02/01/31	855,000	110,000
Series 2022A	08/09/22	4.00%-5.00%	5,985,000	02/01/43	5,915,000	195,000
Total business-type bonds					11,265,000	1,295,000
Unamortized premium					620,131	-
Notes payable from direct borrowing					11,535,110	1,075,812
Financed purchase agreement					421,069	209,123
Compensated absences					74,559	23,858
Total business-type activities					<u>23,915,869</u>	<u>2,603,793</u>
Total long-term liabilities					<u>\$ 76,365,278</u>	<u>\$ 6,891,752</u>

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

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

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

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Bonds payable				
G.O. Bonds	\$ 52,975,000	\$ -	\$ 3,755,000	\$ 49,220,000
Unamortized premium	2,670,650	-	185,483	2,485,167
Total bonds payable	55,645,650	-	3,940,483	51,705,167
Subscription liability	105,338	-	42,307	63,031
Compensated absences	399,953	281,258	-	681,211
Total governmental activities	56,150,941	281,258	3,982,790	52,449,409
Business-type activities				
Bonds payable				
G.O. Utility Revenue Bonds	12,635,000	-	1,370,000	11,265,000
Unamortized premium	681,600	-	61,469	620,131
Total bonds payable	13,316,600	-	1,431,469	11,885,131
Notes payable from direct borrowing	8,932,278	4,034,495	1,431,663	11,535,110
Financed purchase agreement	627,406	-	206,337	421,069
Compensated absences	74,854	-	295	74,559
Total business-type activities	22,951,138	4,034,495	3,069,764	23,915,869
Total long-term liabilities	<u>\$ 79,102,079</u>	<u>\$ 4,315,753</u>	<u>\$ 7,052,554</u>	<u>\$ 76,365,278</u>

Debt Service Funds and the Water and Sewer Funds make principal and interest payments on the City's bonds. The Sewer Fund makes principal and interest payments on the City's notes payable. The Water Fund makes principal and interest payments on the City's financed purchase agreement. The Police Department Equipment Fund makes principal and interest payments on the subscription liability.

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

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

**D. Minimum Debt Payments**

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

Year Ending December 31,	Governmental Activities					
	G.O. Bonds			Subscription Liability		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 4,050,000	\$ 1,515,911	\$ 5,565,911	\$ 19,971	\$ 3,225	\$ 23,196
2026	4,195,000	1,373,008	5,568,008	20,993	2,203	23,196
2027	4,180,000	1,232,376	5,412,376	22,067	1,129	23,196
2028	4,320,000	1,089,750	5,409,750	-	-	-
2029	3,865,000	957,895	4,822,895	-	-	-
2030-2034	16,005,000	3,285,128	19,290,128	-	-	-
2035-2039	10,215,000	1,204,964	11,419,964	-	-	-
2040-2043	2,390,000	178,975	2,568,975	-	-	-
<b>Total</b>	<b>\$ 49,220,000</b>	<b>\$ 10,838,007</b>	<b>\$ 60,058,007</b>	<b>\$ 63,031</b>	<b>\$ 6,557</b>	<b>\$ 69,588</b>

Year Ending December 31,	Business-Type Activities					
	Utility Revenue Bonds			Notes Payable from Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,295,000	\$ 417,544	\$ 1,712,544	\$ 1,075,812	\$ 191,772	\$ 1,267,584
2026	1,350,000	373,575	1,723,575	1,174,739	174,797	1,349,536
2027	1,225,000	329,850	1,554,850	1,136,296	154,630	1,290,926
2028	1,280,000	286,450	1,566,450	1,158,616	134,254	1,292,870
2029	1,030,000	242,250	1,272,250	1,176,150	113,204	1,289,354
2030-2034	1,655,000	892,875	2,547,875	2,832,524	352,644	3,185,168
2035-2039	1,750,000	531,100	2,281,100	1,803,859	188,133	1,991,992
2040-2044	1,680,000	137,400	1,817,400	1,177,114	67,281	1,244,395
<b>Total</b>	<b>\$ 11,265,000</b>	<b>\$ 3,211,044</b>	<b>\$ 14,476,044</b>	<b>\$ 11,535,110</b>	<b>\$ 1,376,715</b>	<b>\$ 12,911,825</b>

	Financed Purchase Agreement		
	Principal	Interest	Total
	2025	\$ 209,123	\$ 5,684
2026	211,946	2,861	214,807
<b>Total</b>	<b>\$ 421,069</b>	<b>\$ 8,545</b>	<b>\$ 429,614</b>

**E. Notes Payable from Direct Borrowings**

The City is obligated to pay the City of Saint Cloud for debt service payments relating to the wastewater expansion rights and the City of Saint Cloud's wastewater facility expansion project. The City of Saint Cloud issued three bonds, and one Public Facilities Authority (PFA) note to finance the expansion project. The City pays the City of Saint Cloud monthly for these debt service payments. Terms of the bonds require annual payment totaling \$75,000 to \$155,000 of principal payments with interest rates of 2.0% to 4.0% until 2029. The PFA note requires annual total principal payments from the City of \$15,209 to \$723,694. Interest on the PFA note is 1.771% and principal and interest payments are due through 2030.

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

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

**E. Notes Payable from Direct Borrowings (Continued)**

An additional note was issued in 2016 for the main lift station rehabilitation. The note requires annual total principal payments from the City of \$18,724 to \$60,825. Interest on the note is 1.0% and principal and interest payments are due through 2026.

An additional note was issued in 2017 for the bio-solids project. The note requires annual total principal payments from the City of \$120,696 to \$249,346. Interest on the note is 1.095% and principal and interest payments are due through 2037.

An additional note was issued in 2024 for the metro force main project. The note requires annual total principal payments from the City of \$164,076 to \$248,956. Interest on the note is 1.88% and principal and interest payments are due through 2044.

**F. Financed Purchase Agreement**

The City entered into a financed purchase agreement on October 12, 2021, for the purchase of water meters. Payments of \$214,807 are due annually through October 12, 2026. The state interest rate is 1.35%. Upon final payment, ownership of the meters transfer to the City.

**G. Subscription Liability**

The City entered into a subscription-based information technology arrangement (SBITA) with Flock Safety Cameras for law enforcement license plate recognition camera software. The arrangement expired in 2024. The City entered into a SBITA with Motorola Solutions for services related to law enforcement body worn cameras. The arrangement expires in 2027.

**H. Letter of Credit**

During the year-ended December 31, 2024, the City obtained a letter of credit in the amount of \$3,430,879 through Deerwood Bank. This letter of credit serves as financial assurance for the City's landfill estimated closure and post-closure care costs. The letter of credit was not used during 2024.

**I. Conduit Debt**

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various revenue bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. Accordingly, the bonds are not reported as liabilities in the financial statements of the City.

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

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

**I. Conduit Debt (Continued)**

At December 31, 2024, the City's outstanding conduit debt balances consisted of the following:

\$13,445,000 Minnesota Health Care and Housing Facilities Revenue Refunding Note (Country Manor), Series 2013	\$ 13,445,000
\$11,445,000 Healthcare Facilities Revenue Refunding Bonds (Country Manor), Series 2017	9,565,000
\$10,780,000 Health Care and Housing Facilities Revenue Refunding Bonds (Country Manor Campus LLC Project), Series 2022A	9,770,000
\$230,000 Revenue Note (Sartell Baseball Association), Series 2023	197,117
\$2,743,000 Facilities Revenue Note, (Solutions Behavioral Healthcare Professionals), Series 2023	<u>2,625,969</u>
Total conduit debt balances	<u><u>\$ 35,603,086</u></u>

**NOTE 8 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and federal laws and regulations require that the City perform certain closure functions and maintenance and monitoring functions post-closure at its SW 281 site. In addition to operating expenses related to current activities of this facility, an expense provision and related liability have been recognized for future closure and post-closure care costs that will be incurred near or after the date it no longer accepts waste. The recognition of these closure and post-closure costs is based on the portion of the total capacity used during each year.

The City purchased the landfill during 2023. As of December 31, 2024, 57.87% of the total capacity of the site had been used. The total estimated liability for landfill closure/post-closure costs of the site as of December 31, 2024, was \$1,417,181.

The City will recognize the remaining estimated closure and post-closure care costs as the remaining estimated capacity is filled and ultimately closed. The liability is based on the present value of estimated closure and post-closure costs submitted to the Minnesota Pollution Control Agency with the 2024 Annual Report. Actual costs may vary due to inflation, changes in technology, or changes in regulations.

The City is required by State law to maintain financial assurance to finance closure and post-closure care costs. The City is in compliance with the State requirements; a letter of credit of \$3,430,879 is held for these purposes.

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

**NOTE 9 - FUND BALANCE DETAIL**

Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds:

	General	Local Sales Tax	Street	Other Governmental Funds	Total
Nonspendable					
Prepaid items	\$ 300,937	\$ -	\$ -	\$ -	\$ 300,937
Restricted for					
Community center	53,282	-	-	-	53,282
Local sales tax projects	-	1,845,501	-	-	1,845,501
Parks	-	-	-	346,786	346,786
Youth programs	-	-	-	14,571	14,571
Public education and access	-	-	-	220,218	220,218
Community development	-	-	-	51,339	51,339
Economic and community development	-	-	-	172,024	172,024
Sales Tax - Trails	-	-	-	67,602	67,602
Debt service	-	-	-	1,191,430	1,191,430
Tax increment districts	-	-	-	53,251	53,251
Streets	-	-	-	128,805	128,805
Total	<u>53,282</u>	<u>1,845,501</u>	<u>-</u>	<u>2,246,026</u>	<u>4,144,809</u>
Committed for					
MN Investment Fund	-	-	-	865	865
Cemetery	-	-	-	53,880	53,880
Building improvement projects	-	-	-	21,594	21,594
Fire equipment	-	-	-	605,507	605,507
Public works equipment	-	-	-	11,806	11,806
Civil defense	-	-	-	30,793	30,793
Property development	-	-	-	1,369,453	1,369,453
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,093,898</u>	<u>2,093,898</u>
Unassigned for					
General Fund	5,031,054	-	-	-	5,031,054
Public Safety Health*	-	-	-	(310)	(310)
Debt service*	-	-	-	(837,835)	(837,835)
Technology*	-	-	-	(6,193)	(6,193)
Road projects*	-	-	(3,088,242)	(957,088)	(4,045,330)
Total	<u>5,031,054</u>	<u>-</u>	<u>(3,088,242)</u>	<u>(1,801,426)</u>	<u>141,386</u>
Total	<u>\$ 5,385,273</u>	<u>\$ 1,845,501</u>	<u>\$ (3,088,242)</u>	<u>\$ 2,538,498</u>	<u>\$ 6,681,030</u>

\* Negative restricted and committed fund balances were reclassified to unassigned for fund balance presentation.

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

**NOTE 10 - RISK MANAGEMENT**

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

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

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2024 is estimated to be immaterial based on workers' compensation rates and salaries for the year.

As of December 31, 2024, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**NOTE 11 - PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2024, was \$919,711. The components of pension expense are noted in the following plan summaries.

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

**Public Employees' Retirement Association**

**A. Plan Description**

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

**General Employees Retirement Fund Plan**

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**A. Plan Description (Continued)**

**Public Employees Police and Fire Plan**

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

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is vested, they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**B. Benefits Provided (Continued)**

**Police and Fire Plan Benefits**

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

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

**C. Contributions**

*Minnesota Statutes* Chapter 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**General Employees Fund Contributions**

General Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024, and the City was required to contribute 7.5% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$236,593. The City's contributions were equal to the required contributions as set by state statute.

**Police and Fire Fund Contributions**

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2024, and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$496,620. The City's contributions were equal to the required contributions as set by state statute.

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,345,906 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$34,803.

City's proportionate share of net pension liability	\$ 1,345,906
State of Minnesota's proportionate share of net pension liability associated with the City	<u>34,803</u>
Total	<u><u>\$ 1,380,709</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0364% at the end of the measurement period and 0.0371% for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$225,404 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$933 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedule for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$61,927 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 126,268	\$ -
Changes in actuarial assumptions	5,812	516,494
Net difference between projected and actual investment earnings	-	370,840
Changes in proportion	236,744	29,103
Contributions paid to PERA subsequent to the measurement date	118,297	-
Total	\$ 487,121	\$ 916,437

The \$118,297 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2025	\$ (248,931)
2026	(20,080)
2027	(175,447)
2028	(103,155)
Total	\$ (547,613)

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

Police and Fire Fund Pension Costs

As of December 31, 2024, the City reported a liability of \$2,412,765 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1834% at the end of the measurement period and 0.1716% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$91,974.

City's proportionate share of net pension liability	\$ 2,412,765
State of Minnesota's proportionate share of net pension liability associated with the City	91,974
Total	\$ 2,504,739

For the year ended December 31, 2024, the City recognized pension expense of \$556,121 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$8,931 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City also recognized \$52,084 for the year ended December 31, 2024, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**D. Pension Costs (Continued)**

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

As of December 31, 2024, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 881,865	\$ -
Changes in actuarial assumptions	2,329,289	3,323,211
Net difference between projected and actual investment earnings	-	697,458
Changes in proportion	355,097	10,114
Contributions paid to PERA subsequent to the measurement date	248,310	-
Total	\$ 3,814,561	\$ 4,030,783

The \$248,310 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2025	\$ (20,145)
2026	570,461
2027	(273,941)
2028	(830,454)
2029	89,547
Total	\$ (464,532)

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

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

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

Asset Class	Target Allocation	Long-Term Expected Return on Investment
Domestic equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	100.0 %	

**F. Actuarial Methods and Assumptions**

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

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation. The Police and Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

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

**General Employees Fund**

**Changes in Actuarial Assumptions**

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

**Changes in Plan Provisions**

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

**Police and Fire Fund**

**Changes in Actuarial Assumptions**

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**G. Discount Rate**

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**H. Pension Liability Sensitivity**

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

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the General Employees Fund net pension liability	\$ 2,939,716	\$ 1,345,906	\$ 34,886
City's proportionate share of the Police and Fire Fund net pension liability	\$ 5,701,841	\$ 2,412,765	\$ (288,250)

**I. Pension Plan Fiduciary Net Position**

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

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

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

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

Pension expense for the year is equal to the City employer contributions made. Total contributions made by the City during fiscal year 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 752	\$ 752	5%	5%	5%

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

**A. Plan Description**

The Sartell Fire Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Sartell Fire Department per Minnesota State Statutes.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Sartell Firefighter's Association, 220 4<sup>th</sup> Avenue South, P.O. Box 5, Sartell, MN 56377 or by calling (320) 253-2171.

**B. Benefits Provided**

Volunteer firefighters of the City are members of the Sartell Fire Fighter's Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 20 years of service. Partial benefits are payable to members who have reached 50 and have completed at least ten years of service. Disability benefits and widow and children's survivor benefits are also payable to members, or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes. The service pension benefit is \$6,550 per year of service.

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

**C. Employees Covered by Benefit Terms**

As of the January 1, 2023, actuarial study date, the following employees were covered by the benefit terms:

Active participants	29
Vested terminated and transfers	2
	2
Total	31

**D. Contributions**

*Minnesota Statutes* Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten-year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During the year-ended December 31, 2024, the City recognized as revenue and as an expenditure an on behalf payment of \$160,860 made by the State of Minnesota for the Relief Association. The City also made a voluntary contribution of \$20,000 to the Relief Association.

**E. Net Pension Liability**

The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

The total pension liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increase	2.50 %
Investment rate of return	5.00 %, net of pensions plan investment expense

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	21.0 %	2.00 %
Fixed income	45.0	3.80
Equities	34.0	8.10
Total	100.0 %	5.00 %

The discount rate used to measure the total pension liability was 5.0%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

The following changes in actuarial assumptions and plan provisions occurred:

- The benefit level increase from \$5,100 to \$6,550 was reflected in the active liability.

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at January 1, 2024	\$ 743,931	\$ 985,234	\$ (241,303)
Changes for the year			
Service cost	68,053	-	68,053
Interest	37,313	-	37,313
Plan changes	231,834	-	231,834
Municipal contributions	-	20,000	(20,000)
State contributions	-	142,518	(142,518)
Projected investment return	-	50,038	(50,038)
Gain or loss	-	75,416	(75,416)
Benefit payments	(131,466)	(131,466)	-
Net changes	205,734	156,506	49,228
Balances at December 31, 2024	<u>\$ 949,665</u>	<u>\$ 1,141,740</u>	<u>\$ (192,075)</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 5.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Decrease in Discount Rate 4.00%	Current Discount Rate 5.00%	Increase in Discount Rate 6.00%
Association's net pension asset	<u>\$ 141,412</u>	<u>\$ 192,075</u>	<u>\$ 240,428</u>

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

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

**NOTE 11 - PENSION PLANS (CONTINUED)**

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

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

For the year ended December 31, 2024, the City recognized pension expense of \$137,434. As of December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 21,788	\$ 24,074
Investment losses	42,457	-
Liability gains	-	141,374
Contributions paid to Relief subsequent to the measurement date	180,860	-
Total	\$ 245,105	\$ 165,448

The \$180,860 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Total
2025	\$ 7,219
2026	(900)
2027	7,109
2028	(29,790)
2029	(14,091)
Thereafter	(70,750)
Total	\$ (101,203)

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

**NOTE 12 - CONSTRUCTION COMMITMENTS**

The City had the following construction commitment at December 31, 2024:

Project	Contract Amount	Work Completed (Expended)	12/31/24 Commitment
Lift Station #1 Surge Tank	\$ 1,582,535	\$ 1,517,046	\$ 65,489
Ditch 13	615,370	109,203	506,166
2024 Overlays	1,072,124	1,050,549	21,575
2024 Seal Coat	393,188	279,486	113,702
Total	<u>\$ 3,663,217</u>	<u>\$ 2,956,285</u>	<u>\$ 706,932</u>

**NOTE 13 - TAX INCREMENT FINANCING**

The City has entered into two Tax Increment Financing agreements which meet the criteria for disclosure under Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures. The City's authority to enter into these agreements comes from *Minnesota Statutes* § 469. The City entered into these agreements for the purpose of economic development and affordable housing.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2024, the City generated \$222,675 in tax increment revenue and made \$200,408 in payments to developers.

**NOTE 14 - ACCOUNTING CHANGES**

The 19<sup>th</sup> Avenue South and 2021 South Transportation Capital Project Funds were major funds in the year ended December 31, 2023, but nonmajor funds in the year ended December 31, 2024.

	19th Avenue South	2021 South Transportation	Other Governmental Funds
December 31, 2023, as previously reported	\$ (116,421)	\$ (1,979,979)	\$ 3,594,318
Change from major to nonmajor fund	<u>116,421</u>	<u>1,979,979</u>	<u>(2,096,400)</u>
December 31, 2023, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,497,918</u>

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

**NOTE 14 - ACCOUNTING CHANGES (CONTINUED)**

Activity related to the City's landfill operations was transferred from governmental activities to business-type activities in the Landfill Enterprise Fund.

	Governmental Activities	Business-Type Activities
December 31, 2023, as previously reported	\$ 47,676,515	\$ 75,222,698
Change from governmental to business-type activities		
Capital assets	(1,010,829)	1,010,829
Accumulated depreciation	42,776	(42,776)
Landfill closure/post-closure liability	1,400,952	(1,400,952)
Total change	432,899	(432,899)
December 31, 2023, as restated	\$ 48,109,414	\$ 74,789,799

**NOTE 15 - NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 102, *Certain Risk Disclosures*.

The disclosures required by this Statement will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This Statement will be effective for the year ending December 31, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*.

The changes required by this Statement provide clarity, enhance the relevance of information, provide more useful information for decision-making and provide for greater comparability amongst government entities. This Statement will be effective for the year ending December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets. This Statement will be effective for the year ending December 31, 2026.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered-Employee Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0228%	\$ 1,181,614	\$ -	\$ 1,181,614	\$ 1,338,035	88.3%	78.19%
2016	0.0239%	1,940,561	25,332	1,965,893	1,495,133	129.8%	68.91%
2017	0.0249%	1,589,600	19,949	1,609,549	1,562,113	101.8%	75.90%
2018	0.0255%	1,414,635	46,515	1,461,150	1,715,720	82.5%	79.53%
2019	0.0270%	1,492,770	46,331	1,539,101	1,909,453	78.2%	80.23%
2020	0.0273%	1,636,760	50,397	1,687,157	1,946,400	84.1%	79.06%
2021	0.0282%	1,204,266	36,698	1,240,964	2,028,600	59.4%	87.00%
2022	0.0322%	2,550,251	74,892	2,625,143	2,415,107	105.6%	76.67%
2023	0.0371%	2,074,590	57,155	2,131,745	2,949,427	70.3%	83.10%
2024	0.0364%	1,345,906	34,803	1,380,709	3,081,280	43.7%	89.08%

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

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered-Employee Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.1170%	\$ 1,329,394	\$ -	\$ 1,329,394	\$ 1,069,975	124.2%	86.61%
2016	0.1180%	4,735,545	-	4,735,545	1,172,716	403.8%	63.88%
2017	0.1290%	1,741,654	-	1,741,654	1,271,531	137.0%	85.43%
2018	0.1334%	1,409,901	-	1,409,901	1,405,969	100.3%	88.84%
2019	0.1496%	1,572,447	-	1,572,447	1,578,250	99.6%	89.26%
2020	0.1439%	1,883,805	44,687	1,928,492	1,624,208	116.0%	87.19%
2021	0.1448%	1,104,671	50,279	1,154,950	1,711,814	64.5%	93.66%
2022	0.1685%	7,332,454	320,211	7,652,665	2,046,379	358.3%	70.53%
2023	0.1716%	2,963,309	119,356	3,082,665	2,253,785	131.5%	86.47%
2024	0.1834%	2,412,765	91,974	2,504,739	2,539,548	95.0%	90.17%

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

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee
2015	\$ 110,362	\$ 110,362	\$ -	\$ 1,471,493	7.5%
2016	113,908	113,908	-	1,518,773	7.5%
2017	120,409	120,409	-	1,605,453	7.5%
2018	136,684	136,684	-	1,822,453	7.5%
2019	143,085	143,085	-	1,907,800	7.5%
2020	161,610	161,610	-	2,154,800	7.5%
2021	174,937	174,937	-	2,332,493	7.5%
2022	216,798	216,798	-	2,890,640	7.5%
2023	219,340	219,340	-	2,924,533	7.5%
2024	236,593	236,593	-	3,154,573	7.5%

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

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee
2015	\$ 182,910	\$ 182,910	\$ -	\$ 1,129,074	16.2%
2016	197,050	197,050	-	1,216,358	16.2%
2017	214,926	214,926	-	1,326,704	16.2%
2018	242,979	242,979	-	1,499,870	16.2%
2019	273,091	273,091	-	1,611,156	17.0%
2020	298,500	298,500	-	1,686,441	17.7%
2021	345,504	345,504	-	1,952,000	17.7%
2022	375,272	375,272	-	2,120,181	17.7%
2023	417,738	417,738	-	2,360,102	17.7%
2024	496,620	496,620	-	2,805,763	17.7%

**City of Sartell**  
**Schedule of Employer Contributions**  
**and Non-Employer Contributing**  
**Entities - Fire Relief Association**

	<u>December 31,</u> <u>2015</u>	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2018</u>
Employer				
Statutorily determined contribution (SDC) \$	-	-	-	-
Contribution deficiency SDC	<u>9,800</u>	<u>10,200</u>	<u>10,600</u>	<u>11,000</u>
Contribution deficiency (excess)	<u><u>\$ (9,800)</u></u>	<u><u>\$ (10,200)</u></u>	<u><u>\$ (10,600)</u></u>	<u><u>\$ (11,000)</u></u>
Non-employer				
2% aid	<u><u>\$ 98,717</u></u>	<u><u>\$ 96,179</u></u>	<u><u>\$ 100,967</u></u>	<u><u>\$ 108,842</u></u>

<u>December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
\$ - 11,000	\$ - 20,000				
<u>\$ (11,000)</u>	<u>\$ (20,000)</u>				
<u>\$ 99,660</u>	<u>\$ 108,842</u>	<u>\$ 113,219</u>	<u>\$ 127,652</u>	<u>\$ 146,518</u>	<u>\$ 160,860</u>

**City of Sartell**  
**Schedule of Changes in Net Pension Liability**  
**and Related Ratios - Fire Relief Association**

	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
<b>Total Pension Liability (TPL)</b>				
Service cost	\$ 40,236	\$ 41,242	\$ 40,833	\$ 41,365
Interest	57,469	54,423	55,518	37,592
Assumption changes	-	-	35,451	-
Plan changes	-	30,638	30,147	79,355
Gain or loss	-	-	(42,802)	-
Benefit payments	-	(167,532)	(134,296)	(167,216)
Net change in total pension liability	<u>97,705</u>	<u>(41,229)</u>	<u>(15,149)</u>	<u>(8,904)</u>
Beginning of year	<u>792,325</u>	<u>890,030</u>	<u>848,801</u>	<u>833,652</u>
End of year	<u>\$ 890,030</u>	<u>\$ 848,801</u>	<u>\$ 833,652</u>	<u>\$ 824,748</u>
<b>Plan Fiduciary Net Pension (FNP)</b>				
Municipal contributions	\$ 9,800	\$ 9,800	\$ 10,200	\$ 10,600
Nonemployer contributions	87,045	98,717	96,179	100,967
Projected investment return	64,107	67,353	62,567	45,547
Gain or (loss) on investments	(34,931)	(94,790)	11,174	429
Benefit payments	-	(167,532)	(134,296)	(167,216)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	<u>126,021</u>	<u>(86,452)</u>	<u>45,824</u>	<u>(9,673)</u>
Beginning of year	<u>901,308</u>	<u>1,027,329</u>	<u>940,877</u>	<u>986,701</u>
End of year	<u>\$ 1,027,329</u>	<u>\$ 940,877</u>	<u>\$ 986,701</u>	<u>\$ 977,028</u>
Net Pension Liability (NPL)	<u>\$ (137,299)</u>	<u>\$ (92,076)</u>	<u>\$ (153,049)</u>	<u>\$ (152,280)</u>

December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
\$ 46,070	\$ 54,433	\$ 57,218	\$ 66,960	\$ 76,964	\$ 68,053
41,364	48,144	48,675	40,815	41,004	37,313
-	-	13,969	-	(28,452)	-
87,405	27,090	72,554	135,765	-	231,834
(40,467)	-	(32,644)	-	(96,913)	-
-	-	(242,540)	(225,231)	(273,000)	(131,466)
<u>134,372</u>	<u>129,667</u>	<u>(82,768)</u>	<u>18,309</u>	<u>(280,397)</u>	<u>205,734</u>
<u>824,748</u>	<u>959,120</u>	<u>1,088,787</u>	<u>1,006,019</u>	<u>1,024,328</u>	<u>743,931</u>
<u>\$ 959,120</u>	<u>\$ 1,088,787</u>	<u>\$ 1,006,019</u>	<u>\$ 1,024,328</u>	<u>\$ 743,931</u>	<u>\$ 949,665</u>
\$ 11,000	\$ 11,000	\$ 20,000	\$ 20,000	\$ 25,000	\$ 20,000
102,176	99,660	108,842	113,219	164,902	142,518
49,097	53,228	59,112	49,305	49,381	50,038
(74,048)	72,162	(40,604)	40,064	(184,492)	75,416
-	-	(242,540)	(225,231)	(273,000)	(131,466)
-	-	-	-	(27)	-
<u>88,225</u>	<u>236,050</u>	<u>(95,190)</u>	<u>(2,643)</u>	<u>(218,236)</u>	<u>156,506</u>
<u>977,028</u>	<u>1,065,253</u>	<u>1,301,303</u>	<u>1,206,113</u>	<u>1,203,470</u>	<u>985,234</u>
<u>\$ 1,065,253</u>	<u>\$ 1,301,303</u>	<u>\$ 1,206,113</u>	<u>\$ 1,203,470</u>	<u>\$ 985,234</u>	<u>\$ 1,141,740</u>
<u>\$ (106,133)</u>	<u>\$ (212,516)</u>	<u>\$ (200,094)</u>	<u>\$ (179,142)</u>	<u>\$ (241,303)</u>	<u>\$ (192,075)</u>

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

**General Employees Fund**

**2024 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2023 Changes**

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.

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

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

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

Changes in Plan Provisions

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

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2018 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.

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

**General Employees Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning
- January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. This does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

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

**2016 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

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

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

**General Employees Fund (Continued)**

**2015 Changes (Continued)**

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

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

**Police and Fire Fund**

**2024 Changes**

Changes in Plan Provisions

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**2023 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2022 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

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

**Police and Fire Fund (Continued)**

**2021 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.

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

**Police and Fire Fund (Continued)**

**2018 Changes (Continued)**

Changes in Plan Provisions (Continued)

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be 3 years younger) and female members (husbands assumed to be 4 years older) to the assumption that males are 2 years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2016 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

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

**Police and Fire Fund (Continued)**

**2015 Changes**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

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

**Fire Relief Association**

**2024 Changes**

- The benefit level increase from \$5,100 to \$6,550 per year.

**2023 Changes**

Changes in Actuarial Assumptions

- The discount rate was increased from 4.25% to 5.0%.

**2022 Changes**

Changes in Plan Provisions

- The benefit level increased from \$4,548 to \$5,100 per year.

**2021 Changes**

Changes in Actuarial Assumptions

- The discount rate was decreased from 4.75% to 4.25%.

Changes in Plan Provisions

- The benefit level increased from \$4,220 to \$4,548 per year.

**2020 Changes**

Changes in Plan Provisions

- The benefit level increased from \$4,115 to \$4,220 per year.

**2019 Changes**

Changes in Plan Provisions

- The benefit level increased from \$3,740 to \$4,115 per year.

**2017 Changes**

Changes in Actuarial Assumptions

- The discount rate was changed from 6.75% to 4.75%.

**SUPPLEMENTARY INFORMATION**

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**City of Sartell**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2024**

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
<b>Revenues</b>			
Property taxes	\$ 7,150,000	\$ 7,185,568	\$ 35,568
Licenses and permits	697,500	848,468	150,968
Intergovernmental revenue			
Local government aid	786,337	789,091	2,754
Market value credit	-	429	429
Fire Aid	106,128	160,860	54,732
Police Aid	245,955	287,729	41,774
Other grants and aids	110,000	209,220	99,220
Total intergovernmental revenue	<u>1,248,420</u>	<u>1,447,329</u>	<u>198,909</u>
Charges for services			
General government	38,450	35,794	(2,656)
Public safety	404,000	460,865	56,865
Public works	52,270	46,454	(5,816)
Culture and recreation	324,500	296,530	(27,970)
Total charges for services	<u>819,220</u>	<u>839,643</u>	<u>20,423</u>
Fines and forfeitures	47,400	49,923	2,523
Miscellaneous revenues			
Investment income	50,000	139,115	89,115
Contributions and donations	21,250	38,872	17,622
Refunds and reimbursements	89,000	213,611	124,611
Miscellaneous	-	27,461	27,461
Total miscellaneous revenues	<u>160,250</u>	<u>419,059</u>	<u>258,809</u>
Total revenues	<u>10,122,790</u>	<u>10,789,990</u>	<u>667,200</u>

**City of Sartell**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2024**

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
<b>Expenditures</b>			
General government			
Mayor and council	\$ 116,625	\$ 96,343	\$ (20,282)
Administrative and finance	1,031,450	1,001,515	(29,935)
Other general government	72,490	55,003	(17,487)
Total general government	<u>1,220,565</u>	<u>1,152,861</u>	<u>(67,704)</u>
Public safety			
Police			
Current	4,427,030	4,580,112	153,082
Capital outlay	1,000	-	(1,000)
Fire			
Current	915,520	868,894	(46,626)
Capital outlay	1,000	-	(1,000)
Building inspections			
Current	416,850	387,418	(29,432)
Other			
Current	39,500	34,369	(5,131)
Total public safety	<u>5,800,900</u>	<u>5,870,793</u>	<u>69,893</u>
Public works			
Streets, roadways, and maintenance			
Current	1,517,540	1,486,601	(30,939)
Capital outlay	1,000	-	(1,000)
Snow and ice removal			
Current	111,252	110,739	(513)
Engineering			
Current	57,000	57,486	486
Street lighting			
Current	7,000	64,748	57,748
Compost			
Current	17,500	26,901	9,401
Total public works	<u>1,711,292</u>	<u>1,746,475</u>	<u>35,183</u>
Community and economic development			
Current	346,630	412,825	66,195

**City of Sartell**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2024**

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
<b>Expenditures (Continued)</b>			
Parks and recreation			
Current	\$ 1,245,903	\$ 1,305,575	\$ 59,672
Capital outlay	1,000	19,248	18,248
Total park and recreation	<u>1,246,903</u>	<u>1,324,823</u>	<u>77,920</u>
Total expenditures	<u>10,326,290</u>	<u>10,507,777</u>	<u>181,487</u>
Excess of revenues over (under) expenditures	(203,500)	282,213	485,713
<b>Other Financing Sources (Uses)</b>			
Insurance recovery	-	32,755	32,755
Transfers in	340,000	493,128	153,128
Transfers out	(136,500)	(136,500)	-
Total other financing sources (uses)	<u>203,500</u>	<u>389,383</u>	<u>185,883</u>
Net change in fund balances	<u>\$ -</u>	671,596	<u>\$ 671,596</u>
<b>Fund Balances</b>			
Beginning of year		<u>4,713,677</u>	
End of year		<u>\$ 5,385,273</u>	

**City of Sartell**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**December 31, 2024**

	Special Revenue			
	Park Improvement (211)	Youth Programs (212)	Public Safety Health (213)	DUI Forfeiture (214)
<b>Assets</b>				
Cash and investments	\$ 263,742	\$ 14,514	\$ 5,766	\$ 22,561
Taxes receivable - delinquent	-	-	-	-
Special assessments receivable				
Deferred	-	-	-	-
Interest receivable	1,288	57	84	87
Accounts receivable	375	-	-	-
Due from other governments	101,293	-	-	-
Land held for resale	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 366,698</u>	<u>\$ 14,571</u>	<u>\$ 5,850</u>	<u>\$ 22,648</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 19,912	\$ -	\$ 6,160	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>19,912</u>	<u>-</u>	<u>6,160</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Advanced appropriations - state shared taxes	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	346,786	14,571	-	22,648
Committed	-	-	-	-
Unassigned	-	-	(310)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>346,786</u>	<u>14,571</u>	<u>(310)</u>	<u>22,648</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 366,698</u>	<u>\$ 14,571</u>	<u>\$ 5,850</u>	<u>\$ 22,648</u>

Special Revenue

Police Reserves (217)	Forfeiture (222)	Lodging Tax (223)	Economic Development (224)	Public Education and Government Access Fee (227)	Minnesota Investment Fund (233)
\$ 6,456	\$ 444	\$ 85,834	\$ 86,741	\$ 49,822	\$ 862
-	-	-	-	-	-
-	-	-	-	-	-
16	2	336	457	192	3
-	-	2,406	-	1,325	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,472</u>	<u>\$ 446</u>	<u>\$ 88,576</u>	<u>\$ 87,198</u>	<u>\$ 51,339</u>	<u>\$ 865</u>
\$ -	\$ -	\$ -	\$ 3,750	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,750	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,472	446	88,576	83,448	51,339	-
-	-	-	-	-	865
-	-	-	-	-	-
<u>6,472</u>	<u>446</u>	<u>88,576</u>	<u>83,448</u>	<u>51,339</u>	<u>865</u>
<u>\$ 6,472</u>	<u>\$ 446</u>	<u>\$ 88,576</u>	<u>\$ 87,198</u>	<u>\$ 51,339</u>	<u>\$ 865</u>

**City of Sartell**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**December 31, 2024**

	Special Revenue		Debt Service	
	Sales Tax Trails (243)	Cemetery (250)	G.O. Improvement Bonds, Series 2012A (330)	G.O. Tax Abatement Bonds, Series 2015A (335)
<b>Assets</b>				
Cash and investments	\$ -	\$ 53,667	\$ -	\$ 62,515
Taxes receivable - delinquent	-	-	851	2,302
Special assessments receivable				
Deferred	-	-	-	15,706
Interest receivable	(183)	213	(199)	(352)
Accounts receivable	-	-	-	-
Due from other governments	170,964	-	1,031	2,699
Land held for resale	-	-	-	-
	<u>\$ 170,781</u>	<u>\$ 53,880</u>	<u>\$ 1,683</u>	<u>\$ 82,870</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 45,558	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Due to other funds	57,621	-	2,682	-
Total liabilities	<u>103,179</u>	<u>-</u>	<u>2,682</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	851	2,302
Unavailable revenue - special assessments	-	-	-	15,706
Advanced appropriations - state shared taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>851</u>	<u>18,008</u>
<b>Fund Balances</b>				
Restricted	67,602	-	-	64,862
Committed	-	53,880	-	-
Unassigned	-	-	(1,850)	-
Total fund balances	<u>67,602</u>	<u>53,880</u>	<u>(1,850)</u>	<u>64,862</u>
	<u>\$ 170,781</u>	<u>\$ 53,880</u>	<u>\$ 1,683</u>	<u>\$ 82,870</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 170,781</u>	<u>\$ 53,880</u>	<u>\$ 1,683</u>	<u>\$ 82,870</u>

Debt Service

G.O. Tax Abatement Bonds, Series 2016A (336)	G.O. Bonds, Series 2017A (337)	G.O. Bonds, Series 2018A (338)	G.O. Refunding Bonds, Series 2018C (340)	G.O. Improvement Bond, Series 2019A (341)	G.O. Bonds, Series 2020A (342)
\$ -	\$ 13,781	\$ 191,386	\$ 51,041	\$ 206,015	\$ 251,984
-	-	4,243	-	893	456
-	53,883	111,304	-	477,269	92,240
(117)	29	(112)	179	425	882
-	-	-	-	-	-
-	-	4,602	-	1,711	426
-	-	-	-	-	-
<u>\$ (117)</u>	<u>\$ 67,693</u>	<u>\$ 311,423</u>	<u>\$ 51,220</u>	<u>\$ 686,313</u>	<u>\$ 345,988</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
29,399	-	-	-	-	-
<u>29,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	4,243	-	893	456
-	53,883	111,304	-	477,269	92,240
-	820,279	-	-	-	-
<u>-</u>	<u>874,162</u>	<u>115,547</u>	<u>-</u>	<u>478,162</u>	<u>92,696</u>
-	-	195,876	51,220	208,151	253,292
-	-	-	-	-	-
(29,516)	(806,469)	-	-	-	-
<u>(29,516)</u>	<u>(806,469)</u>	<u>195,876</u>	<u>51,220</u>	<u>208,151</u>	<u>253,292</u>
<u>\$ (117)</u>	<u>\$ 67,693</u>	<u>\$ 311,423</u>	<u>\$ 51,220</u>	<u>\$ 686,313</u>	<u>\$ 345,988</u>

**City of Sartell**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**December 31, 2024**

	<u>Debt Service</u>	<u>Capital Projects</u>		
	<u>G.O. Bonds, Series 2022A (343)</u>	<u>City Buildings Improvement Projects (410)</u>	<u>Police Department Equipment (412)</u>	<u>Fire Department Equipment (413)</u>
<b>Assets</b>				
Cash and investments	\$ 392,172	\$ 21,509	\$ 191,119	\$ 603,013
Taxes receivable - delinquent	-	9	-	-
Special assessments receivable				
Deferred	1,231,741	-	-	-
Interest receivable	1,483	85	534	2,357
Accounts receivable	-	-	-	-
Due from other governments	24,374	-	1,374	137
Land held for resale	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,649,770</u>	<u>\$ 21,603</u>	<u>\$ 193,027</u>	<u>\$ 605,507</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ -	\$ 2,375	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>2,375</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	9	-	-
Unavailable revenue - special assessments	1,231,741	-	-	-
Advanced appropriations - state shared taxes	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>1,231,741</u>	<u>9</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	418,029	-	190,652	-
Committed	-	21,594	-	605,507
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>418,029</u>	<u>21,594</u>	<u>190,652</u>	<u>605,507</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,649,770</u>	<u>\$ 21,603</u>	<u>\$ 193,027</u>	<u>\$ 605,507</u>

Capital Projects

Public Works Equipment (414)	Technology (415)	Civil Defense (416)	19th Avenue South (437)	TIF District 5-5 (445)	TIF District 5-6 (446)
\$ 10,284	\$ -	\$ 30,654	\$ -	\$ 18,201	\$ 134,940
-	-	-	-	-	-
-	-	-	-	-	-
(402)	(57)	106	-	28	286
-	-	-	-	-	-
1,924	137	33	6,340	-	-
-	-	-	-	-	-
<u>\$ 11,806</u>	<u>\$ 80</u>	<u>\$ 30,793</u>	<u>\$ 6,340</u>	<u>\$ 18,229</u>	<u>\$ 135,226</u>
\$ -	\$ -	\$ -	\$ 1,081	\$ 15,067	\$ 85,137
-	-	-	-	-	-
-	6,273	-	179,814	-	-
-	<u>6,273</u>	-	<u>180,895</u>	<u>15,067</u>	<u>85,137</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,162	50,089
11,806	-	30,793	-	-	-
-	(6,193)	-	(174,555)	-	-
<u>11,806</u>	<u>(6,193)</u>	<u>30,793</u>	<u>(174,555)</u>	<u>3,162</u>	<u>50,089</u>
<u>\$ 11,806</u>	<u>\$ 80</u>	<u>\$ 30,793</u>	<u>\$ 6,340</u>	<u>\$ 18,229</u>	<u>\$ 135,226</u>

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**City of Sartell**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**December 31, 2024**

	<u>Capital Projects</u>			
	2020 SRTS & Safe Streets (453)	2022 Property Development (455)	West Side Reconstruction (456)	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 128,805	\$ 25,505	\$ -	\$ 2,923,333
Taxes receivable - delinquent	-	-	-	8,754
Special assessments receivable				
Deferred	-	-	-	1,982,143
Interest receivable	-	156	(2,271)	5,592
Accounts receivable	-	-	-	4,106
Due from other governments	-	89,429	-	406,474
Land held for resale	-	1,265,684	-	1,265,684
	<u>128,805</u>	<u>1,380,774</u>	<u>(2,271)</u>	<u>6,596,086</u>
Total assets	<u>\$ 128,805</u>	<u>\$ 1,380,774</u>	<u>\$ (2,271)</u>	<u>\$ 6,596,086</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ 9,296	\$ 57,340	\$ 245,676
Due to other governments	-	2,025	-	2,025
Due to other funds	-	-	722,922	998,711
Total liabilities	<u>-</u>	<u>11,321</u>	<u>780,262</u>	<u>1,246,412</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	-	8,754
Unavailable revenue - special assessments	-	-	-	1,982,143
Advanced appropriations - state shared taxes	-	-	-	820,279
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,811,176</u>
<b>Fund Balances</b>				
Restricted	128,805	-	-	2,246,026
Committed	-	1,369,453	-	2,093,898
Unassigned	-	-	(782,533)	(1,801,426)
Total fund balances	<u>128,805</u>	<u>1,369,453</u>	<u>(782,533)</u>	<u>2,538,498</u>
	<u>\$ 128,805</u>	<u>\$ 1,380,774</u>	<u>\$ (2,271)</u>	<u>\$ 6,596,086</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 128,805</u>	<u>\$ 1,380,774</u>	<u>\$ (2,271)</u>	<u>\$ 6,596,086</u>

**City of Sartell**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

	Special Revenue			
	Park Improvement (211)	Youth Programs (212)	Public Safety Health (213)	DUI Forfeiture (214)
<b>Revenues</b>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Tax increment	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	191,816	-	-	-
Fines and forfeitures	-	-	-	432
Miscellaneous				
Investment income	19,557	561	1,007	1,506
Contributions and donations	56,383	7,500	-	-
Refunds and reimbursements	4,617	-	-	-
Miscellaneous	-	-	-	4,983
Total revenues	<u>272,373</u>	<u>8,061</u>	<u>1,007</u>	<u>6,921</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	9,107	36,909	8,407
Public works	-	-	-	-
Community and economic development	-	-	-	-
Parks and recreation	216,450	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Public safety	-	-	-	30,796
Public works	-	-	-	-
Parks and recreation	216,523	-	-	-
Total expenditures	<u>432,973</u>	<u>9,107</u>	<u>36,909</u>	<u>39,203</u>
Excess of revenues over (under) expenditures	(160,600)	(1,046)	(35,902)	(32,282)
<b>Other Financing Sources (Uses)</b>				
Sale of property	382,913	-	-	-
Transfers in	-	-	20,000	-
Transfers out	(133,128)	-	-	-
Total other financing sources (uses)	<u>249,785</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	89,185	(1,046)	(15,902)	(32,282)
<b>Fund Balances</b>				
Beginning of year	<u>257,601</u>	<u>15,617</u>	<u>15,592</u>	<u>54,930</u>
Accounting change (Note 14)	-	-	-	-
Beginning of year, as restated	<u>257,601</u>	<u>15,617</u>	<u>15,592</u>	<u>54,930</u>
End of year	<u>\$ 346,786</u>	<u>\$ 14,571</u>	<u>\$ (310)</u>	<u>\$ 22,648</u>

Special Revenue

Police Reserves (217)	Forfeiture (222)	Lodging Tax (223)	Economic Development (224)	Public Education and Government Access Fee (227)	Minnesota Investment Fund (233)
\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -
-	-	33,672	-	-	-
-	-	-	-	-	-
-	-	-	84,606	-	-
-	-	-	-	17,053	-
-	144	-	-	-	-
209	15	3,012	5,094	1,991	36
3,500	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,709</u>	<u>159</u>	<u>36,684</u>	<u>89,701</u>	<u>19,044</u>	<u>36</u>
-	-	-	-	6,922	-
2,467	-	-	-	-	-
-	-	-	-	-	-
-	-	1,651	174,321	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,467</u>	<u>-</u>	<u>1,651</u>	<u>174,321</u>	<u>6,922</u>	<u>-</u>
1,242	159	35,033	(84,620)	12,122	36
-	-	-	-	-	-
1,500	-	-	115,000	-	-
-	-	-	(125,000)	-	-
<u>1,500</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
2,742	159	35,033	(94,620)	12,122	36
<u>3,730</u>	<u>287</u>	<u>53,543</u>	<u>178,068</u>	<u>39,217</u>	<u>829</u>
-	-	-	-	-	-
<u>3,730</u>	<u>287</u>	<u>53,543</u>	<u>178,068</u>	<u>39,217</u>	<u>829</u>
<u>\$ 6,472</u>	<u>\$ 446</u>	<u>\$ 88,576</u>	<u>\$ 83,448</u>	<u>\$ 51,339</u>	<u>\$ 865</u>

**City of Sartell**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

	Special Revenue			Debt Service
	COVID Relief Fund (234, 235)	Sales Tax Trails (243)	Cemetery (250)	G.O. Improvement Bonds, Series 2012A (330)
<b>Revenues</b>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ 156,006
Sales	-	108,250	-	-
Tax increment	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental	829,623	170,964	-	-
Charges for services	-	-	1,025	-
Fines and forfeitures	-	-	-	-
Miscellaneous				
Investment income	33,305	(1,165)	2,252	(4,393)
Contributions and donations	-	-	-	-
Refunds and reimbursements	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	862,928	278,049	3,277	151,613
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	872,150	-	(123)	-
Community and economic development	-	-	-	-
Parks and recreation	-	-	-	-
Debt service				
Principal	-	-	-	145,000
Interest and other charges	-	-	-	9,494
Capital outlay				
Public safety	-	-	-	-
Public works	15,398	170,009	-	-
Parks and recreation	-	-	-	-
Total expenditures	887,548	170,009	(123)	154,494
Excess of revenues over (under) expenditures	(24,620)	108,040	3,400	(2,881)
<b>Other Financing Sources (Uses)</b>				
Sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(24,620)	108,040	3,400	(2,881)
<b>Fund Balances</b>				
Beginning of year	24,620	(40,438)	50,480	1,031
Accounting change (Note 14)	-	-	-	-
Beginning of year, as restated	24,620	(40,438)	50,480	1,031
End of year	\$ -	\$ 67,602	\$ 53,880	\$ (1,850)

Debt Service

G.O. Tax Abatement Bonds, Series 2015A (335)	G.O. Tax Abatement Bonds, Series 2016A (336)	G.O. Bonds, Series 2017A (337)	G.O. Bonds, Series 2018A (338)	G.O. Refunding Bonds, Series 2018C (340)	G.O. Improvement Bond, Series 2019A (341)
\$ 467,511	\$ -	\$ -	\$ 682,596	\$ -	\$ 210,842
-	-	-	-	-	-
-	-	19,601	31,683	18,851	85,293
-	-	-	-	-	-
-	-	-	-	-	-
(10,111)	(11,122)	(7,177)	(20,466)	(1,815)	(7,429)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>457,400</u>	<u>(11,122)</u>	<u>12,424</u>	<u>693,813</u>	<u>17,036</u>	<u>288,706</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
360,000	490,000	670,000	895,000	260,000	595,000
82,650	191,457	145,375	498,263	57,650	246,813
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>442,650</u>	<u>681,457</u>	<u>815,375</u>	<u>1,393,263</u>	<u>317,650</u>	<u>841,813</u>
14,750	(692,579)	(802,951)	(699,450)	(300,614)	(553,107)
-	-	-	-	-	-
-	667,994	374,975	743,588	200,000	542,575
-	-	-	-	-	-
<u>-</u>	<u>667,994</u>	<u>374,975</u>	<u>743,588</u>	<u>200,000</u>	<u>542,575</u>
14,750	(24,585)	(427,976)	44,138	(100,614)	(10,532)
50,112	(4,931)	(378,493)	151,738	151,834	218,683
-	-	-	-	-	-
<u>50,112</u>	<u>(4,931)</u>	<u>(378,493)</u>	<u>151,738</u>	<u>151,834</u>	<u>218,683</u>
\$ <u>64,862</u>	\$ <u>(29,516)</u>	\$ <u>(806,469)</u>	\$ <u>195,876</u>	\$ <u>51,220</u>	\$ <u>208,151</u>

**City of Sartell**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

	Debt Service		Capital Projects	
	G.O. Bonds, Series 2020A (342)	G.O. Bonds, Series 2022A (343)	City Buildings Improvement Projects (410)	Police Department Equipment (412)
<b>Revenues</b>				
Taxes				
Property	\$ 84,956	\$ -	\$ 13	\$ 249,993
Sales	-	-	-	-
Tax increment	-	-	-	-
Special assessments	10,529	109,706	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	265
Miscellaneous				
Investment income	4,102	10,346	3,402	14,153
Contributions and donations	-	-	-	-
Refunds and reimbursements	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	99,587	120,052	3,415	264,411
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	-
Public safety	-	-	-	(1,603)
Public works	-	-	-	-
Community and economic development	-	-	-	-
Parks and recreation	-	-	-	-
<b>Debt service</b>				
Principal	255,000	85,000	-	42,307
Interest and other charges	98,825	340,720	-	5,389
<b>Capital outlay</b>				
Public safety	-	-	-	296,110
Public works	-	-	133,640	-
Parks and recreation	-	-	-	-
Total expenditures	353,825	425,720	133,640	342,203
Excess of revenues over (under) expenditures	(254,238)	(305,668)	(130,225)	(77,792)
<b>Other Financing Sources (Uses)</b>				
Sale of property	-	-	-	7,000
Transfers in	271,950	425,225	-	-
Transfers out	-	-	-	(150,000)
Total other financing sources (uses)	271,950	425,225	-	(143,000)
Net change in fund balances	17,712	119,557	(130,225)	(220,792)
<b>Fund Balances</b>				
Beginning of year	235,580	298,472	151,819	411,444
Accounting change (Note 14)	-	-	-	-
Beginning of year, as restated	235,580	298,472	151,819	411,444
End of year	\$ 253,292	\$ 418,029	\$ 21,594	\$ 190,652

Capital Projects

Fire Department Equipment (413)	Public Works Equipment (414)	Technology (415)	Civil Defense (416)	19th Avenue South (437)	TIF District 5-5 (445)
\$ 24,999	\$ 349,991	\$ 24,999	\$ 6,000	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	33,482
325,494	-	-	-	36,340	-
-	-	-	-	-	-
26,865	(8,053)	(876)	1,048	(1)	99
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>377,358</u>	<u>341,938</u>	<u>24,123</u>	<u>7,048</u>	<u>36,339</u>	<u>33,581</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	32,051
-	-	-	-	-	-
-	-	-	-	-	-
353,027	-	-	-	-	-
-	253,749	-	-	94,473	-
-	-	-	-	-	-
<u>353,027</u>	<u>253,749</u>	<u>-</u>	<u>-</u>	<u>94,473</u>	<u>32,051</u>
24,331	88,189	24,123	7,048	(58,134)	1,530
3,291	-	-	-	-	-
-	50,000	-	-	-	-
-	-	-	-	-	-
<u>3,291</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
27,622	138,189	24,123	7,048	(58,134)	1,530
577,885	(126,383)	(30,316)	23,745	-	1,632
-	-	-	-	(116,421)	-
<u>577,885</u>	<u>(126,383)</u>	<u>(30,316)</u>	<u>23,745</u>	<u>(116,421)</u>	<u>1,632</u>
<u>\$ 605,507</u>	<u>\$ 11,806</u>	<u>\$ (6,193)</u>	<u>\$ 30,793</u>	<u>\$ (174,555)</u>	<u>\$ 3,162</u>

**City of Sartell**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2024**

	Capital Projects			
	TIF District 5-6 (446)	2020 SRTS and Safe Streets (453)	2021 South Transportation (454)	2022 Property Development (455)
<b>Revenues</b>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Tax increment	189,193	-	-	-
Special assessments	-	-	-	-
Intergovernmental	-	-	(56,556)	135,277
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous				
Investment income	1,663	-	(70,307)	2,697
Contributions and donations	-	-	-	-
Refunds and reimbursements	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>190,856</u>	<u>-</u>	<u>(126,863)</u>	<u>137,974</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community and economic development	172,124	-	-	-
Parks and recreation	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Public safety	-	-	-	-
Public works	-	-	16,368	9,296
Parks and recreation	-	-	-	-
Total expenditures	<u>172,124</u>	<u>-</u>	<u>16,368</u>	<u>9,296</u>
Excess of revenues over (under) expenditures	18,732	-	(143,231)	128,678
<b>Other Financing Sources (Uses)</b>				
Sale of property	-	-	-	-
Transfers in	-	-	2,123,210	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,123,210</u>	<u>-</u>
Net change in fund balances	18,732	-	1,979,979	128,678
<b>Fund Balances</b>				
Beginning of year	<u>31,357</u>	<u>128,805</u>	<u>-</u>	<u>1,240,775</u>
Accounting change (Note 14)	-	-	(1,979,979)	-
Beginning of year, as restated	<u>31,357</u>	<u>128,805</u>	<u>(1,979,979)</u>	<u>1,240,775</u>
End of year	<u>\$ 50,089</u>	<u>\$ 128,805</u>	<u>\$ -</u>	<u>\$ 1,369,453</u>

Capital Projects

<u>West Side Reconstruction (456)</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 2,257,907
-	141,922
-	222,675
-	275,663
-	1,525,748
-	209,894
-	841
(15,879)	(25,874)
-	67,383
-	4,617
-	4,983
<u>(15,879)</u>	<u>4,685,759</u>
-	6,922
-	55,287
-	872,027
-	380,147
-	216,450
-	3,797,307
-	1,676,636
-	679,933
572,107	1,265,040
-	216,523
<u>572,107</u>	<u>9,166,272</u>
(587,986)	(4,480,513)
-	393,204
-	5,536,017
-	(408,128)
<u>-</u>	<u>5,521,093</u>
(587,986)	1,040,580
(194,547)	3,594,318
-	(2,096,400)
<u>(194,547)</u>	<u>1,497,918</u>
<u>\$ (782,533)</u>	<u>\$ 2,538,498</u>

**City of Sartell**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2024**

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Federal Assistance Living Number</u>	<u>Expenditures</u>
<b>U.S. Department of Transportation</b>		
Through Minnesota Department of Transportation		
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	\$ 354,214
Total U.S. Department of Transportation		<u>354,214</u>
<b>U.S. Department of Treasury</b>		
Through State of Minnesota		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027C	829,623
Total U.S. Department of Treasury		<u>829,623</u>
<b>U.S. Department of Homeland Security</b>		
Through State of Minnesota		
Hazard Mitigation Grant Program	97.039	15,551
Received Directly		
Assistance to Firefighters Grant	97.044	325,494
Total U.S. Department of Homeland Security		<u>341,045</u>
Total Federal Expenditures		<u>\$ 1,524,882</u>

**City of Sartell**  
**Notes to Schedule of Expenditures of Federal Awards**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year-ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - PASS-THROUGH GRANT NUMBERS**

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

**NOTE 4 - INDIRECT COST RATE**

The City did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

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**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

**Independent Auditor's Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sartell, Minnesota, as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 11, 2025.

**Report Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency, listed as Audit Finding 2024-001.

**Report on Compliance and Other Matters**

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

**City's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit are described in the accompanying Schedule of Findings and Responses on Internal Control. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

BerganKDV, Ltd.

St. Cloud, Minnesota  
April 11, 2025



**Report on Compliance for each Major Federal Program  
and Report on Internal Control over Compliance in Accordance with  
the Uniform Guidance**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BerganKDV, Ltd.*

St. Cloud, Minnesota  
April 11, 2025

**City of Sartell**  
**Schedule of Findings and Questioned Costs**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:  
• Material weakness(es) identified? No  
• Significant deficiency(ies) identified? Yes, Audit Finding 2024-001

Noncompliance material to financial statements noted? No

**Federal Awards**

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:  
• Material weakness(es) identified? No  
• Significant deficiency(ies) identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

**Identification of Major Programs**

Assistance Listing No.: 21.027C  
Name of Federal Program or Cluster: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**City of Sartell**  
**Schedule of Findings and Questioned Costs**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Audit Finding 2024-001 - Lack of Segregation of Accounting Duties**

*Criteria:*

Internal control that supports the City's ability to initiate record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

*Condition:*

The City does not have adequate segregation of accounting duties.

*Context:*

This finding impacts the internal control for all significant accounting functions.

*Effect or Potential Effect:*

The lack of adequate segregation of accounting duties could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

*Cause:*

There are a limited number of office employees.

*Recommendation:*

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**City of Sartell  
Schedule of Findings and Questioned Costs**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2024-001 - Lack of Segregation of Accounting Duties (Continued)**

*Views of Responsible Officials and Planned Corrective Actions:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding  
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding  
The City plans to review opportunities for further segregation of accounting duties to and assignment of duties during 2024 and continually moving forward.
3. Official Responsible for Ensuring CAP  
Rob Voshell, Finance Director, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP  
The planned completion date for the CAP is December 31, 2025.
5. Plan to Monitor Completion of CAP  
The City Administrator and City Council will be monitoring this CAP.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no questioned costs.

**SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None



## Minnesota Legal Compliance

### Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sartell, Minnesota as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 11, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Sartell failed to comply with the provisions of the contracting - bid laws, depositories of public funds and public 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 *Minnesota Statutes* § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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

*BerganKDV, Ltd.*

St. Cloud, Minnesota  
April 11, 2025

**PROPOSAL FORM**

TO: City of Sartell, Minnesota  
 C/O Northland Securities, Inc.  
 150 South 5<sup>th</sup> Street, Suite 3300  
 Minneapolis, Minnesota 55402  
 Phone: 612-851-5900  
 Email: [PublicSale@northlandsecurities.com](mailto:PublicSale@northlandsecurities.com)

Sale Date: March 9, 2026

For all or none of the \$6,110,000\* General Obligation Bonds, Series 2026A, in accordance with the Notice of Sale, we will pay you \$ \_\_\_\_\_, (not less than \$6,012,240.00) plus accrued interest, if any, to date of delivery (estimated to be April 2, 2026) for fully registered Bonds bearing interest rates and maturing on February 1 as follows:

<u>Year</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Interest Rate</u>	<u>Yield</u>
2027	_____%	_____%	2034	_____%	_____%	2041	_____%	_____%
2028	_____%	_____%	2035	_____%	_____%	2042	_____%	_____%
2029	_____%	_____%	2036	_____%	_____%	2043	_____%	_____%
2030	_____%	_____%	2037	_____%	_____%	2044	_____%	_____%
2031	_____%	_____%	2038	_____%	_____%	2045	_____%	_____%
2032	_____%	_____%	2039	_____%	_____%	2046	_____%	_____%
2033	_____%	_____%	2040	_____%	_____%			

True interest percentage: \_\_\_\_\_ %                      Net interest cost: \$ \_\_\_\_\_

Term Bond Option: Bonds maturing in the years:  
 \_\_\_\_\_ through \_\_\_\_\_  
 \_\_\_\_\_ through \_\_\_\_\_  
 \_\_\_\_\_ through \_\_\_\_\_  
 \_\_\_\_\_ through \_\_\_\_\_  
 \_\_\_\_\_ through \_\_\_\_\_

To be accumulated into a Term Bond maturing in year:  
 \_\_\_\_\_.  
 \_\_\_\_\_.  
 \_\_\_\_\_.  
 \_\_\_\_\_.  
 \_\_\_\_\_.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in the bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.

As set forth in the Notice of Sale, this bid shall not be cancelled in the event that the competitive sale requirements are not satisfied. The City may determine to apply the Hold-the-Offering-Price Rule to the Bonds (such terms are used as described in the Notice of Sale).

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

A Good Faith Deposit in the amount as stated in the Notice of Sale in the form of a federal wire transfer payable to the order of the City will only be required from the apparent winning bidder, and must be received within two hours after the receipt of the bids. Award of the Bonds will be on the basis of True Interest Cost (TIC).

Account Members:

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

The foregoing proposal is hereby duly accepted by and on behalf of the City of Sartell, Minnesota at \_\_\_\_\_ PM on March 9, 2026.

\_\_\_\_\_  
 Director of Finance & Operations

\_\_\_\_\_  
 Mayor

\* The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of \$5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.