PRELIMINARY OFFICIAL STATEMENT DATED MARCH 20, 2025

NEW ISSUE	**BOOK ENTRY ONLY**
BANK QUALIFIED	**MOODY'S RATING "Aa2"**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that, under existing State of Minnesota statutes, interest on the Bonds is exempt from State of Minnesota income tax, and is not a specific preference item for purposes of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

CITY OF CORCORAN, MINNESOTA

$3,960,000*

General Obligation Bonds, 2025A

Dated Date: Date of Delivery (Estimated to be April 29, 2025)

Interest Due: Each February 1 and August 1 Commencing February 1, 2026

Principal is due on the dates and in the amounts as shown on the inside cover.

The General Obligation Bonds, 2025A (the "Bonds" or the "Issue") are being issued by the City of Corcoran, Minnesota (the "City" or the "Issuer") pursuant to Minnesota Statutes, Chapter 475 and Sections 478.521 and 412.301, as amended. Proceeds of the Bonds will be used to finance the City's 2025 and 2026 equipment purchases, improvements to the City's municipal facilities as described in the City's Capital Improvement Plan 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 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, 2034 and thereafter are subject to redemption, in whole or in part, on February 1, 2033 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, 2026. 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: Thursday, March 27, 2025 10:00 A.M., Central Time
Award: Thursday, March 27, 2025 7:00 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 $3,898,620 (98.45%) 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 $79,200, 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).

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* Preliminary, subject to change.

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CITY OF CORCORAN, MINNESOTA

$3,960,000*

General Obligation Bonds, 2025A

Dated Date: Date of Delivery (Estimated to be April 29, 2025)

Interest Due: Each February 1 and August 1
Commencing February 1, 2026

*Maturity**	*Amount**	*Rate*	*Yield*	*Price*	*Maturity**	*Amount**	*Rate*	*Yield*	*Price*
2/1/2027	$400,000	_____%	_____%	_____	2/1/2035	$295,000	_____%	_____%	_____
2/1/2028	415,000	_____	_____	_____	2/1/2036	300,000	_____	_____	_____
2/1/2029	425,000	_____	_____	_____	2/1/2037	75,000	_____	_____	_____
2/1/2030	440,000	_____	_____	_____	2/1/2038	85,000	_____	_____	_____
2/1/2031	455,000	_____	_____	_____	2/1/2039	85,000	_____	_____	_____
2/1/2032	260,000	_____	_____	_____	2/1/2040	85,000	_____	_____	_____
2/1/2033	270,000	_____	_____	_____	2/1/2041	90,000	_____	_____	_____
2/1/2034	280,000	_____	_____	_____					

* 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 29, 2025.

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 CITY OR 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 CITY SINCE THE DATE HEREOF. 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 MAKING 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 CITY 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).

WITHIN THE MEANING OF SECURITIES AND EXCHANGE 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).

SUMMARY OF OFFERING

City of Corcoran, Minnesota
$3,960,000 *
General Obligation Bonds, 2025A
(Book-Entry Only)

AMOUNT -	$3,960,000*
ISSUER -	City of Corcoran, Minnesota (the "City" or the "Issuer")
AWARD DATE -	March 27, 2025
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, 2025A (the "Bonds" or the "Issue")
AUTHORITY, PURPOSE & SECURITY -	The General Obligation Bonds, 2025A (the "Bonds") are being issued by the City of Corcoran, Minnesota (the "City") pursuant to Minnesota Statutes, Chapter 475 and Sections 478.521 and 412.301, as amended. Proceeds of the Bonds will be used to finance the City's 2025 and 2026 equipment purchases, improvements to the City's municipal facilities as described in the City's Capital Improvement Plan 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 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 *Authority and Purpose* as well as *Security/Sources and Uses of Funds* herein for additional information.
DATE OF ISSUE -	Date of Delivery (Estimated to be April 29, 2025)
INTEREST PAID -	Semiannually on each February 1 and August 1, commencing February 1, 2026, 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* -

2/1/27	$400,000	2/1/31	$455,000	2/1/35	$295,000	2/1/39	$85,000
2/1/28	415,000	2/1/32	260,000	2/1/36	300,000	2/1/40	85,000
2/1/29	425,000	2/1/33	270,000	2/1/37	75,000	2/1/41	90,000
2/1/30	440,000	2/1/34	280,000	2/1/38	85,000		

REDEMPTION -	The Bonds maturing on February 1, 2034 and thereafter are subject to redemption, in whole or in part, on February 1, 2033 and on any date thereafter at a price of par plus accrued interest. See *Description of the Bonds* 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 -	Kutak Rock LLP, Minneapolis, Minnesota ("Bond Counsel")
BOND RATING -	The City received an underlying rating of "Aa2" from Moody's Investors Service ("Moody's"). See *Bond Rating* herein for additional information.
CLOSING -	Estimated to be April 29, 2025
PRIMARY CONTACTS -	Jay Tobin, City Administrator, City of Corcoran, Minnesota 763-400-7032 Tammy Omdal, Managing Director, Northland Securities, Inc., 612-851-4964

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* Preliminary, subject to change.

CITY OF CORCORAN, MINNESOTA

PRINCIPAL CITY OFFICIALS

Elected Officials

	City Council	
Name	*Position*	*Term Expires*
Tom Mckee	Mayor	12/31/28
Michelle Friedrich	Council Member	12/31/28
Mark Lanterman	Council Member	12/31/26
Jeremy Nichols	Council Member	12/31/26
Dean Vehrenkamp	Council Member	12/31/28

Primary Contacts

Jay Tobin	City Administrator
Abdo Financial Solutions	Finance Manager
Carson, Clelland & Schreder	City Attorney

BOND COUNSEL

Kutak Rock, LLP
Minneapolis, Minnesota

MUNICIPAL ADVISOR

Northland Securities, Inc.
Minneapolis, Minnesota

NOTICE OF SALE

$3,960,000*
GENERAL OBLIGATION BONDS, SERIES 2025A

CITY OF CORCORAN, 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 Administrator, or designee, on Thursday, March 27, 2025, 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 Thursday, March 27, 2025 at 7:00 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:
a) submitted to the office of Northland Securities, Inc.,
b) emailed to PublicSale@northlandsecurities.com
c) for proposals submitted prior to the sale, the final price and coupon rates may be submitted to Northland Securities, Inc. by telephone at 612-851-5900 or 612-851-4945, or
d) 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 Thursday, March 27, 2025. 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

* 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.

and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be 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 29, 2025)

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 475.521 and 412.301, as amended. Proceeds will be used to finance the City's 2025 and 2026 equipment purchases, and improvements to the City's municipal facilities as described in more detail in the City's Capital Improvement Plan, and to pay costs associated with the issuance of the Bonds. The Bonds are payable from 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, 2026, 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:

Year	Amount	Year	Amount	Year	Amount
2027	$400,000	2032	$260,000	2037	$75,000
2028	415,000	2033	270,000	2038	85,000
2029	425,000	2034	280,000	2039	85,000
2030	440,000	2035	295,000	2040	85,000
2031	455,000	2036	300,000	2041	90,000

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 of 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, 2034 are subject to redemption and prepayment at the option of the Issuer on February 1, 2033 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 Kutak Rock 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 $3,898,620 (98.45%) and accrued interest on the principal sum of $3,960,000 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:

Jay Tobin, City Administrator
Corcoran City Hall
8200 County Road 116
Corcoran, Minnesota 55340

A good faith deposit (the "Deposit") in the amount of $79,200 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 13, 2025 BY ORDER OF THE CORCORAN CITY COUNCIL

/s/ Jay Tobin
City Administrator

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)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[UNDERWRITER]"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Initial Offering Price of the Bonds***.

(a) [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, [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 (September 24, 2024), or (ii) the date on which [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) *Issuer* means the City of Corcoran, Minnesota.

(c) *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.

(d) *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.

(e) *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 ___________.

(f) *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 [UNDERWRITER] 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 Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP 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.

[UNDERWRITER]

By:______________________________________

Name:____________________________________

Dated: __________, 2025

(ISSUE PRICE CERTIFICATE – HOLD THE PRICE)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [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 [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [UNDERWRITER] to purchase the Bonds.

(b) [UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***.

(a) *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.

(b) *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.

(c) *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 ____________.

(d) *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 [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 Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP 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.

[UNDERWRITER]

By:____
Name:_____________________________________

Dated: ___________, 2025

AUTHORITY AND PURPOSE

The General Obligation Bonds, 2025A (the "Bonds" or the "Issue") are being issued by the City of Corcoran, Minnesota (the "City") pursuant to Minnesota Statutes, Chapter 475 and Sections 478.521 and 412.301, as amended. Proceeds from issuance of the Bonds will be used to finance the City's 2025 and 2026 equipment purchases, improvements to the City's municipal facilities as described in the City's Capital Improvement Plan 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 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	$ 3,960,000*
Total Sources of Funds:	$ 3,960,000
Uses of Funds	
Deposit to Project Fund	$ 3,722,526
Costs of Issuance/Underwriter's Discount	128,250
Deposit to Capitalized Interest Fund	105,683
Rounding Amount	3,540
Total Uses of Funds:	$ 3,960,000

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.

Ratings Loss

Moody's Investors Service has assigned a rating of "Aa2" 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

* Preliminary, subject to change.

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 Moody's, 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 29, 2025), 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, 2026. 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, 2034 and thereafter are subject to redemption, in whole or in part, on February 1, 2033 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 3.6 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 and 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.

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 Corcoran 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.

Within the previous five years, the City's audited financial statements for the fiscal year ending December 31, 2022 were not available by the December 31, 2023 filing deadline. A failure notice was posted in a timely manner and the December 31, 2022 audited financial statements were posted as soon as they were available on January 26, 2024. 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 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 "Aa2" from Moody's Investors Service ("Moody's"). 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 Moody's and any explanation of the significance of this rating may be obtained only from Moody's. 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 Moody's, 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.

The following describes one lawsuit currently pending against the City that possibly could impact its current operations and financial condition:

In Housing First Minnesota v. City of Corcoran, No. 27-cv-21-9069, Plaintiff filed a lawsuit against the City challenging the City's fees for building permits. The Minnesota District Court granted summary judgment in the City's favor. Plaintiff then appealed. On March 25, 2024, the Minnesota Court of Appeals issued an opinion that affirmed in part, reversed in part, and remanded to the Minnesota District Court. See Housing First Minnesota v. City of Corcoran, Nos. A23-1049, A23-1050, 2024 WL 1244047 (Minn. Ct. App. Mar. 25, 2024). First, the Minnesota Court of Appeals concluded that Plaintiff has associational standing to seek declaratory and injunctive relief. The court concluded that Plaintiff's members had a sufficient stake in the case to have standing. Second, the Minnesota Court of Appeals affirmed the Minnesota District Court's holding that Plaintiff failed to establish either its takings claim or procedural-due-process claim. Because the Minnesota District Court did not address the merits of Plaintiff's requests for declaratory and injunctive relief, the Minnesota Court of Appeals declined to address those issues on appeal. Plaintiff then requested further review at both the Minnesota Supreme Court and the United States Supreme Court. Both courts denied Plaintiff's requests for further appellate review. Now on remand, the Minnesota District Court will resolve those issues that the Minnesota Court of Appeals declined to decide. The Minnesota District Court has scheduled a hearing for March 25, 2025. The City is unable to predict or determine the outcome of the litigation at this time.

Other cases and claims are pending against the City involving claims for money damages. At this time, the City does not believe that the resolution of these cases and claims should have a material adverse effect on the financial position of the City or its ability to make payments on 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 Kutak Rock 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 MATTERS

General Matters

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds [(including any original issue discount properly allocable to the owner of a Bonds)] is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Minnesota statutes, interest on the Bonds is excludable from taxable net income of individuals, estates and trusts for Minnesota income tax purposes and is not a specific preference item for purposes of the Minnesota alternative minimum tax applicable to individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Interest on the Bonds is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Minnesota or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached as Appendix B.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Bank Qualified. The City has represented that it does not reasonably anticipate issuing greater than $10,000,000 of tax-exempt obligations in calendar year 2025 (excluding certain private activity and refunding bonds) and that it has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80 percent of that portion of such institutions' interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such bonds.

Backup Withholding

An owner of Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. 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 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 or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

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CITY OF CORCORAN, MINNESOTA

GENERAL INFORMATION

Location/Access/Transportation

Corcoran, situated in northwestern Hennepin County, is part of the Minneapolis/St. Paul Metropolitan Area. The City is bordered by Maple Grove to the East, Greenfield to the West, Medina to the South, and Rogers to the North. Access to the City is provided via County Roads 10, 30, 50, and 116 as well as Highway 55 in the southwest. In addition, Interstate Highway 94 lies 5 miles west of the City. The City covers 23,040 acres or 36 square miles.

Population

2000 Census	5,630	2020 Census	6,185
2010 Census	5,379	2024 City Estimate	8,846

Labor Force Data[1]

Comparative average labor force and unemployment rate figures for 2024 (through November) and year-end 2023 are listed below. Figures are not seasonally adjusted, and numbers of people are estimated by place of residence.

	November 2024		2023	
	Civilian Labor Force	*Unemployment Rate*	*Civilian Labor Force*	*Unemployment Rate*
Hennepin County	703,470	3.0%	708,159	2.6%
Minneapolis-St. Paul MSA	2,013,456	3.1	2,023,955	2.7
Minnesota	3,098,951	3.2	3,099,923	2.8

Income Data[2]

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

	Corcoran	*State of Minnesota*	*United States*
Median Family Income	$171,354	$111,492	$96,922
Per Capita Income	66,970	46,957	43,289

City Government

Corcoran is a City with a Home Rule Charter form of government that follows Minnesota State Statute requirements for a Plan A city. It has a mayor elected at large for a four-year term and four council members also elected at large for four-year terms. The professional staff is council appointed and includes an Administrator, Administrative Services Director, Deputy Clerk, Code Compliance Official, Accountant, Administrative Assistant, Public Works Director, Public Works Crew Leader, Maintenance Workers, Director of Public Safety, Lieutenant, Detective, Police Officers, Police Administrative Assistant, and part-time Police Technician. In addition, contracted staff includes City Attorney, City Engineer, City Planner, and Building Official.

Municipal Enterprise Services

The Water Utility System: The City currently purchases its water from the City of Maple Grove, Minnesota.

The Sewer Utility System: Treatment is provided by the Metropolitan Council Environmental Services.

[1] Source: Minnesota Department of Employment and Economic Development
[2] Source: 2019-2023 American Community Survey, U.S. Census Bureau.

Bargaining Units/Labor Contracts

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

Employee Group	*Contract Expiration Date*
Minnesota Teamsters Public and Law Enforcement Employees' Union Local No. 320	December 31, 2025

Employee Pension Programs

The City employs 51 people, 41 full-time and 7 part-time and 3 seasonal. The pension plan covers 47 of the City's employees as of December 31, 2024.

The City participates in contributory pension plans through the Public Employees Retirement Association (PERA) under Minnesota Statutes, Chapters 353 and 356, which cover all full-time and certain part-time employees. PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost sharing, multiple-employer retirement plans. Benefits are established by State Statute and vest after three years of credited service. State Statute requires the City to fund current service pension cost as it accrues. Defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

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, or by writing to PERA at 60 Empire Drive, #200, St. Paul, MN 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

The City makes annual contributions to the pension plans equal to the amount required by state statutes. Coordinated Plan members are required to contribute 6.50% of their annual covered salary. The City is required to contribute 7.50% for Coordinated Plan members. PEPFF members are required to contribute 11.80% of their annual covered salary and the employer contribution is 17.70%.

Audited City contributions to GERF and PEPFF have been as follows:

Year	*Amount*
2023	$ 371,036
2022	285,606
2021	235,154
2020	212,849
2019	205,725

Postemployment Benefits Other Than Pensions (OPEB)

The City provides post-employment insurance benefits to certain eligible employees through its OPEB plan, a single-employer defined benefit plan administered by LOGIS, an agent multiple-employer postemployment healthcare plan. LOGIS is a consortium of Minnesota local governments units controlled by its members. LOGIS' Board of Directors is composed of one representative from each agency. LOGIS issues a publicly available financial report that includes financial statements and required supplementary information for the health plan. As of December 31, 2023, the City had 1 inactive plan members and 23 active plan members.

Changes in Total OPEB Liability

	December 31, 2023
Total OPEB Liability beginning of year,	$ 350,374
Changes for the year:	
Service Cost	$ 19,424
Interest	14,069
Differences between expected and actual experience	677,909
Changes in assumptions	103,658
Benefit Payments	(44,826)
Net Change in OPEB Liability	$ 770,234
Net OPEB Liability	$ 1,120,608

Additional information regarding the City's OPEB obligations is provided in the City's Comprehensive Annual Financial Report, excerpts of which are provided in Appendix C of this Official Statement, with particular reference to Note 5.

Estimated Cash and Investment Balances as of December 31, 2024 (unaudited)

Fund Name	
General Fund	$ 7,019,945
Special Revenue Fund	444,543
Debt Service Fund	399,380
Capital Fund	6,787,688
Enterprise Fund	11,804,197
Estimated Cash and Investment Balances	$26,455,753

General Fund Budget Summary

	2024 Budget	2024 Preliminary	2025 Budget
Revenues:			
Property Taxes	$7,184,348	$7,065,933	$7,974,335
Licenses and Permits	931,950	975,551	1,137,800
Intergovernmental Revenue	333,500	423,259	598,131
Charges for Services	771,147	321,251	629,500
Fines and Forfeits	25,000	25,426	30,000
Franchise Fees	61,000	66,865	65,000
Miscellaneous	42,100	199,790	36,250
Transfers In	561,200	561,200	500,000
Total Revenues	$9,910,245	$9,639,275	10,971,016
Expenditures:			
General Government	$1,968,940	$2,090,553	$2,037,294
Community Development	1,062,975	1,160,746	1,207,508
Public Safety	3,459,590	3,220,779	4,046,754
Parks & Recreation	331,940	242,269	471,872
Public Works	2,704,800	2,297,411	3,009,285
Transfers Out	382,000	382,000	198,303
Total Expenditures	$9,910,245	$9,393,758	$10,971,016
Revenues Over (Under) Expenditures	0	245,517	0
Beginning Fund Balance (January 1)	4,583,828	4,583,828	4,829,345
Ending Fund Balance (December 31)	$4,583,828	$4,829,345	$4,829,345

Residential Development

There are approximately 3,173 single-family homes located within the City. There were 346 single-family homes constructed during 2024 (January 1, 2024 – December 31, 2024).

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

Subdivision Name	*Total Number of Lots/Units*	*Number of Lots/Units Completed*	*Remaining Lots/Units Available*	*Year*
Bellwether 4th	74	74	0	2020
Bellwether 5th	46	46	0	2020
Rush Creek Reserve	80	79	1	2020
Ravinia 15th	44	44	0	2020
Kariniemi Acres	4	4	0	2020
Tavera	33	33	0	2020
Tessmer	3	1	2	2020
Franzen Estates	3	2	1	2021
Tavera 2nd	47	47	0	2021
Amberly	25	19	6	2021
Bellwether 6th	62	59	3	2021
Tavera 3rd	143	78	65	2021
Magnan	2	1	1	2021
Bellwether 7th	17	17	0	2021
Bellwether 8th	95	40	55	2022
Amberly 2nd	51	25	26	2022
Rush Creek Reserve 2nd	108	95	13	2022
Bellwether 9th	37	31	6	2022
Bechtold Farms	12	8	4	2022
Tavera 4th	122	75	47	2022
Walcott Glen	129	100	29	2022
Kariniemi Meadows	9	4	5	2022
Tavera 5th	26	26	0	2022
Cook Lake Highlands	20	12	8	2022
Rush Creek Reserve 3rd	18	10	8	2023
Rush Creek Reserve 4th	51	6	45	2024
Bellwether 10th	26	0	26	2024
Old Farm Ridge	1	0	1	2024
Tavera 6th	79	6	73	2024
Woodland Hills	60	0	0	2024
Hope Meadows	49	7	42	2024
Upward Acres	6	0	6	2024
Tavera 7th	100	0	100	2024

Commercial/Industrial Development

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

Name	*Product/ Service*	*Description of Construction*	*Year*
Nelson International	Commercial truck sales, leasing, and repair	One and two story with repair and office, type III-B	2021
Extra Space Storage	Self-storage	One and two story with office, type II-B	2021
D&D Services	Contractor yard – underground utilities	One story and mezzanine with offices and storage, type II-B	2022
Garages Too	Self-storage	4 buildings, single story, type V-B	2023
New Horizon Academy	Daycare	Single story, type V-B sprinklered	2023
Water Tower	Municipal water tower	Reinforced concrete and steel, 750K gallon tank, type I-B	2023
Water Treatment Plant	Municipal water treatment plant	2-story, type V-B	2024
Corcoran Storage II	Self-storage	6 buildings, single story, type III-B	2024
Red Barn Pet Retreat	Commercial kennel – boarding	2-story, type V-B	2024
Dominos	Restaurant, take-out only	Single story, type V-B	2024

Building Permits

Building permits issued for the past four years and to-date in 2025 have been as follows:

Valuation	*Commercial/ Industrial Number of Permits*	*Residential Number of Permits*	*Total Number of Permits*	*Total Valuation of Permits*
2025 (as of 2/5)	2	85	87	$8,116,484
2024	39	1,292	1,331	160,604,388
2023	36	1,027	1,063	180,787,356
2022	7	913	920	93,226,016
2021	56	1,182	1,239	133,606,418

Financial Institutions

Banking and financial services are provided within the City by Farmers State Bank of Hamel.

Education

The City is served by five school districts: Independent School District No. 279, Osseo; Independent School District No. 284, Wayzata; Independent School District No. 877, Buffalo-Hanover-Montrose; Independent School District No. 879, Delano; and Independent School District No. 883, Rockford. The primary district is ISD No. 883, Rockford, which operates an elementary school, grades kindergarten through five, a middle school, grades six through eight, as well as a high school, grades nine through twelve.

Major Employers[1]

Following are some of the largest employers within the neighboring City of Medina:

Name	*Product/Service*	*Number of Employees*
Open Systems International	Data Warehousing	696
Rockler COS., Inc	Woodworking Equipment	500
Loram Maintenance of Way, Inc.	Railroad Equipment Supplier	400
Polaris Acceptance Inc.	Financing	400
Medina Golf & Country Club	Golf Course	300
Hennepin County Public Works	Transportation Services	260
Graphic Packaging International	Paperboard Mills	200
Airheart Brake	Manufacturer	140
Target	Retail	135
Medina Entertainment Center	Restaurants	120

Largest Taxpayers[2]

Following are ten of the largest taxpayers within the City:

Name	*Classification*	*2023/2024 Tax Capacity*	*Percent of Total Tax Capacity ($19,656,470)[3]*
CenterPoint Energy	Utility	$310,590	1.58%
NCI Props of NW Metrollc	Commercial	148,070	0.75
Northern Natural Gas	Utility	146,750	0.75
ESS Properties LLC	Commercial/Vacant Land	116,000	0.59
Hay Holding Company, LLC	Residential	92,500	0.47
C&J Investments, LLC	Industrial	70,450	0.36
Corcoran Industrial Property	Commercial	63,110	0.32
Visionary Land Company	Commercial	60,990	0.31
HWY 55 Properties, LLC	Commercial	57,250	0.29
R&W Holdings LLC	Industrial	48,930	0.25
		$1,114,640	5.67%

[1] Sources: Data Axle Reference Solutions and the City.

[2] As reported by Hennepin County.

[3] Before tax Transmission Line and Fiscal Disparities adjustments.

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 $76,000 or less, the exclusion is 40 percent of market value, yielding a maximum exclusion of $30,400 at $76,000 of market value. For a homestead valued between $76,000 and $413,800, the exclusion is $30,400 minus nine percent of the valuation over $76,000. For a homestead valued at $413,800 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

Class	Type of Property		Class Rate Schedule 2021/2022	2022/2023	2023/2024
1a	Residential Homestead:	First $500,000	1.00%	1.00%	1.00%
		Over $500,000	1.25	1.25	1.25
1c	Commercial seasonal-residential recreational-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†		1.25	1.25	1.25
2a	Agricultural Homestead – House, Garage, One Acre:				
	First $500,000		1.00	1.00	1.00
	Over $500,000		1.25	1.25	1.25
	Remainder of Farm* –				
		First $1,880,000			
		Over $1,880,000			
		First $1,890,000	0.50	0.50	
		Over $1,890,000	1.00	1.00	
		First $2,150,000			0.50
		Over $2,150,000			1.00
	Agricultural Homestead Land[1]		1.00	1.00	1.00
2a	Non-Homestead Agricultural Productive Land*		1.00	1.00	1.00
2b	Non-Homestead Rural Vacant Land[2]		1.00	1.00	1.00
3a	Commercial/Industrial and Public Utility				
	First $150,000†		1.50	1.50	1.50
	Over $150,000†		2.00	2.00	2.00
4a	Apartment (4+ units, incl. private for-profit hospitals)		1.25	1.25	1.25
4bb(1)	Residential Non-Homestead (Single Unit)				
	First $500,000		1.00	1.00	1.00
	Over $500,000		1.25	1.25	1.25
4c(1)	Seasonal Residential Recreational/Commercial†				
	(Resort): First $500,000		1.00	1.00	1.00
	Over $500,000		1.25	1.25	1.25
4c(12)	Seasonal Residential Recreational†				
	Non-Commercial (Cabin):	First $500,000*	1.00	1.00	1.00
		Over $500,000*	1.25	1.25	1.25
4d	Qualifying Low-Income Rental Housing				
	First $100,000			.75	.75
	Over $100,000			.25	.25
	First $174,000		.75		
	Over $174,000		.25		

† Subject to the state general property tax.

* Exempt from referendum market value-based taxes.

1 Homestead remainder & non-homestead; includes structures.

2 Homestead remainder & non-homestead; includes minor ancillary structures.

CITY OF CORCORAN, MINNESOTA

ECONOMIC AND FINANCIAL INFORMATION[1]

Valuations

	Estimated Market Value 2023/2024	*Net Tax Capacity 2023/2023*
Real Property	$ 1,806,478,300	$ 19,067,434
Personal Property	30,381,300	589,036
10% of 200KV Transmission Lines	- - -	(2,765)
Fiscal Disparities[2]		
(Contribution to Pool)	- - -	(755,406)
Distribution from Pool	- - -	854,208
Total Adjusted Valuation	$ 1,836,859,600	$ 19,752,507

Valuation Trends (Real and Personal Property)

Levy Year/ Collection Year	*Economic Market Value*	*Sales Ratio*	*Estimated Market Value*	*Taxable Market Value*	*Tax Capacity Before Adjustments*[3]	*Tax Capacity After Adjustments*[3]
2023/2024	$2,103,787,150	92.63%	$1,836,859,600	$1,825,781,751	$19,656,470	$19,752,507
2022/2023	1,838,188,615	91.88	1,587,868,500	1,576,737,285	16,844,053	16,975,977
2021/2022	1,484,403,217	89.99	1,256,253,000	1,241,450,815	13,094,306	13,190,555
2020/2021	1,231,408,454	97.37	1,097,038,800	1,080,368,389	11,448,696	11,570,962
2019/2020	1,164,944,022	90.15	984,173,500	968,512,150	10,212,430	10,352,151

Breakdown of Valuations

2023/2024 Tax Capacity, Real and Personal Property (before transmission line and fiscal disparities adjustments):

Residential Homestead	$ 15,812,330	80.44%
Agricultural	1,406,296	7.16
Commercial & Industrial	1,659,841	8.44
Public Utility	7,544	0.04
Residential Non-Homestead	149,229	0.76
Seasonal Recreational	4,144	0.02
Other	28,050	0.14
Personal Property	589,036	3.00
Totals:	$ 19,656,470	100.00%

1 Property valuations, tax rates, and tax levies and collections are provided by Hennepin County. Economic market value and sales ratio are provided by the Minnesota Department of Revenue.

2 *Fiscal Disparities Law:* The 1971 Legislature enacted a "fiscal disparities law" which allows all the Twin City Metropolitan Area Municipalities to share in commercial/industrial growth, regardless of where the growth occurred geographically. Forty percent (40%) of every metropolitan municipality's growth in commercial/industrial assessed valuation is pooled then redistributed to all municipalities on the basis of population and per capita valuation *after* the tax increment and fiscal disparity adjustments.

3 Transmission line and fiscal disparities adjustments.

Tax Capacity Rates

Tax capacity rates for a City resident within ISD No. 833, over the past five-assessable/collection years have been as follows:

Levy Year/ Collection Year	*2019/20 Tax Capacity Rates*	*2020/21 Tax Capacity Rates*	*2021/22 Tax Capacity Rates*	*2022/23 Tax Capacity Rates*	*2023/24 Tax Capacity Rates*
Hennepin County	41.084%	38.210%	38.535%	34.542%	34.681%
City of Corcoran	45.013	43.522	43.192	42.122	42.410
ISD No. 883, Rockford	38.800	36.514	34.350	29.997	26.058
Metro Mosquito	0.412	0.381	0.377	0.331	0.312
Metro Council	0.616	0.631	0.659	0.576	0.614
Three Rivers Park District	2.859	2.793	2.787	2.473	2.399
Park Museum	0.710	0.707	0.722	0.647	0.694
HCRRA	1.388	1.323	1.329	1.188	1.153
Hennepin HRA	0.801	0.722	0.771	0.663	0.624
Totals:	131.683%	124.803%	122.722%	112.539%	108.945%
Market Value Rates:	*2019/2020*	*2020/2021*	*2021/2022*	*2022/2023*	*2023/2024*
ISD No. 883 (Rockford)	0.23695	0.21358	0.20762	0.17421	0.16501

Tax Levies and Collections[1]

		Collected During Collection Year		Collected and/or Abated as of 1/1/24	
Levy/Collect	Net Levy	Amount	Percent	Amount	Percent
2023/2024	$8,344,393	In Process of Collection			
2022/2023	7,098,652	$7,054,571	99.38%	$7,054,571	99.38%
2021/2022	5,694,499	5,658,148	99.36	5,687,996	99.86
2020/2021	5,037,747	5,005,053	99.35	5,025,578	99.76
2019/2020	4,637,255	4,595,875	99.11	4,630,399	99.85

[1] 2023/2024 property taxes are currently in the process of collection/reporting and updated figures are not yet available from Hennepin County.

SUMMARY OF DEBT AND DEBT STATISTICS

Statutory Debt Limit[1]

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 April 2, 2024:

2023/2024 Estimated Market Value	$ 1,836,859,600
Multiplied by 3%	x .03
Statutory Debt Limit	$ 55,105,788

Less outstanding debt applicable to debt limit:

$2,915,000 General Obligation Bonds, Series 2016A	$ 35,000
$1,835,000 General Obligation Bonds, Series 2018A	215,000
$1,950,000 General Obligation Bonds, Series 2020A	465,000
$3,365,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020B	2,720,000
$1,800,000 General Obligation Equipment Certificates of Indebtedness, Series 2022A	1,455,000
$3,960,000 General Obligation Bonds, Series 2025A (This Issue)	3,960,000
Total Debt applicable to debt limit:	$ 8,850,000
Legal debt margin	$ 46,255,788

[1] 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.

CITY OF CORCORAN, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM TAXES
(As of March 2, 2025, Plus This Issue)

Purpose:	**G.O. Bonds, Series 2016A**	**G.O. Bonds, Series 2018A**	**G.O. Bonds, Series 2020A**	**G.O. Capital Improvement Plan Refunding Bonds, Series 2020B**	
Dated:	05/01/16	05/31/18	07/08/20	11/05/20	
Original Amount:	$290,000	$600,000	$805,000	$3,365,000	
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb	
Interest Rates:	2.000-2.40%	3.00%	2.00%	1.00-2.00%	
2025	$0	$0	$0	$0	2025
2026	35,000	70,000	90,000	180,000	2026
2027	0	70,000	90,000	185,000	2027
2028	0	75,000	95,000	190,000	2028
2029	0	0	95,000	190,000	2029
2030	0	0	95,000	200,000	2030
2031	0	0	0	205,000	2031
2032	0	0	0	210,000	2032
2033	0	0	0	215,000	2033
2034	0	0	0	220,000	2034
2035	0	0	0	220,000	2035
2036	0	0	0	225,000	2036
2037	0	0	0	235,000	2037
2038	0	0	0	245,000	2038
2039	0	0	0	0	2039
2040	0	0	0	0	2040
2041	0	0	0	0	2041
	$35,000	$215,000	$465,000	$2,720,000	
	(1)	(2)	(3)	(4)	

GENERAL OBLIGATION DEBT PAYABLE FROM TAXES CONTINUED

	This Issue				
Purpose:	**G.O. Equipment Certificates of Indebtedness, Series 2022A**	**G.O. Bonds, Series 2025A**			
Dated:	06/02/22	04/29/25			
Original Amount:	$1,800,000	$6,450,000			
Maturity:	1-Feb	1-Feb	**TOTAL**	**TOTAL**	
	3.125-4.00%		**PRINCIPAL:**	**PRIN & INT:**	
2025	$0	$0	$0	$56,139	2025
2026	185,000	0	560,000	840,098	2026
2027	190,000	400,000	935,000	1,157,453	2027
2028	200,000	415,000	975,000	1,168,530	2028
2029	210,000	425,000	920,000	1,084,539	2029
2030	215,000	440,000	950,000	1,086,640	2030
2031	225,000	455,000	885,000	995,456	2031
2032	230,000	260,000	700,000	788,599	2032
2033	0	270,000	485,000	558,005	2033
2034	0	280,000	500,000	560,345	2034
2035	0	295,000	515,000	561,768	2035
2036	0	300,000	525,000	557,273	2036
2037	0	75,000	310,000	331,543	2037
2038	0	85,000	330,000	344,540	2038
2039	0	85,000	85,000	94,138	2039
2040	0	85,000	85,000	90,610	2040
2041	0	90,000	90,000	91,913	2041
	$1,455,000	$3,960,000	$8,850,000	$10,367,586	

NOTE: 84% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAXES WILL BE RETIRED WITHIN TEN YEARS.

(1) This schedule represents a portion of the $2,915,000 General Obligation Bonds, Series 2016A, dated May 1, 2016, consisting of $1,805,000 payable from special assessments, $820,000 payable from net revenues of the municipal utility system, and $290,000 payable from taxes.

(2) This schedule represents a portion of the $1,835,000 General Obligation Bonds, Series 2018A, dated May 31, 2018, consisting of $1,235,000 payable from tax abatements and $600,000 payable from taxes.

(3) This schedule represents a portion of the $1,950,000 General Obligation Bonds, Series 2020A, dated July 8, 2020, consisting of $805,000 payable from taxes and $1,145,000 payable from net revenues of the municipal water system.

(4) These bonds current refunded the February 1, 2022 through February 1, 2038 maturities of the City's General Obligation Capital Improvement Bonds, Series 2012B on February 1, 2021 at a price of par plus accrued interest.

CITY OF CORCORAN, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM SPECIAL ASSESSMENTS
(As of March 2, 2025)

Purpose:	**G.O. Bonds, Series Series 2016A**			
Dated:	05/01/16			
Original Amount:	$1,800,000			
Maturity:	1-Feb	**TOTAL**	**TOTAL**	
Interest Rates:	2.000-2.40%	**PRINCIPAL:**	**PRIN & INT:**	
2025	$0	$0	$3,850	2025
2026	190,000	190,000	195,800	2026
2027	195,000	195,000	196,950	2027
	$385,000	$385,000	$396,600	
	(1)			

NOTE: 100% OF GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES WILL BE RETIRED WITHIN TEN YEARS.

(1) This schedule represents a portion of the $2,915,000 General Obligation Bonds, Series 2016A, dated May 1, 2016, consisting of $1,805,000 payable from special assessments, $820,000 payable from net revenues of the municipal utility system, and $290,000 payable from taxes.

CITY OF CORCORAN, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM TAX ABATEMENTS
(As of March 2, 2025)

Purpose:	**G.O. Bonds, Series Series 2018A**	**G.O. Bonds, Series Series 2023A**			
Dated:	05/31/18	05/11/23			
Original Amount:	$1,235,000	$3,760,000			
Maturity:	1-Feb	1-Feb	**TOTAL**	**TOTAL**	
Interest Rates:	3.00-3.125%	4.00-5.00%	**PRINCIPAL:**	**PRIN & INT:**	
2025	$0	$0	$0	$93,113	2025
2026	80,000	190,000	270,000	450,275	2026
2027	80,000	205,000	285,000	453,000	2027
2028	85,000	215,000	300,000	455,025	2028
2029	85,000	225,000	310,000	451,475	2029
2030	90,000	235,000	325,000	452,305	2030
2031	90,000	250,000	340,000	452,390	2031
2032	95,000	260,000	355,000	451,773	2032
2033	100,000	275,000	375,000	455,363	2033
2034	100,000	285,000	385,000	449,663	2034
2035	0	265,000	265,000	317,100	2035
2036	0	275,000	275,000	316,300	2036
2037	0	285,000	285,000	315,100	2037
2038	0	300,000	300,000	318,400	2038
2039	0	310,000	310,000	316,200	2039
	$805,000	$3,575,000	$4,380,000	$5,747,480	
	(1)	(2)			

NOTE: 73% OF GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES WILL BE RETIRED WITHIN TEN YEARS.

(1) This schedule represents a portion of the $1,835,000 General Obligation Bonds, Series 2018A, dated May 31, 2018, consisting of $1,235,000 payable from tax abatements and $600,000 payable from taxes.

(2) This schedule represents a portion of the $25,545,000 General Obligation Bonds, Series 2023A, dated May 11, 2023, consisting of $3,760,000 payable from tax abatements and $21,785,000 payable from net revenues of the municipal water system.

CITY OF CORCORAN, MINNESOTA
GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES
(As of March 2, 2025)

Purpose:	G.O. Utility Revenue Bonds, Series 2014B	G.O. Bonds, Series 2016A	G.O. Bonds, Series 2020A	G.O. Bonds, Series 2023A			
Dated:	08/01/14	05/01/16	07/08/20	05/11/23			
Original Amount:	$3,130,000	$820,000	$1,145,000	$21,785,000			
Maturity:	1-Feb	1-Feb	1-Feb	1-Feb	TOTAL	TOTAL	
Interest Rates:	2.000-3.625%	2.000-2.40%	2.00%	4.00-5.00%	PRINCIPAL:	PRIN & INT:	
2025	$0	$0	$0	$0	$0	$475,915	2025
2026	165,000	55,000	115,000	390,000	725,000	1,662,905	2026
2027	165,000	55,000	115,000	410,000	745,000	1,654,555	2027
2028	170,000	55,000	120,000	430,000	775,000	1,654,970	2028
2029	175,000	55,000	120,000	450,000	800,000	1,648,856	2029
2030	180,000	55,000	120,000	475,000	830,000	1,646,243	2030
2031	170,000	65,000	125,000	495,000	855,000	1,637,309	2031
2032	175,000	65,000	0	520,000	760,000	1,508,302	2032
2033	180,000	0	0	545,000	725,000	1,439,681	2033
2034	185,000	0	0	575,000	760,000	1,442,941	2034
2035	190,000	0	0	600,000	790,000	1,442,644	2035
2036	0	0	0	620,000	620,000	1,244,800	2036
2037	0	0	0	645,000	645,000	1,244,500	2037
2038	0	0	0	670,000	670,000	1,243,200	2038
2039	0	0	0	700,000	700,000	1,245,800	2039
2040	0	0	0	725,000	725,000	1,242,300	2040
2041	0	0	0	755,000	755,000	1,242,700	2041
2042	0	0	0	785,000	785,000	1,241,900	2042
2043	0	0	0	820,000	820,000	1,244,800	2043
2044	0	0	0	850,000	850,000	1,241,400	2044
2045	0	0	0	885,000	885,000	1,241,700	2045
2046	0	0	0	920,000	920,000	1,240,600	2046
2047	0	0	0	955,000	955,000	1,238,100	2047
2048	0	0	0	995,000	995,000	1,239,100	2048
2049	0	0	0	1,035,000	1,035,000	1,238,500	2049
2050	0	0	0	1,075,000	1,075,000	1,236,300	2050
2051	0	0	0	1,120,000	1,120,000	1,237,400	2051
2052	0	0	0	1,165,000	1,165,000	1,236,700	2052
2053	0	0	0	1,210,000	1,210,000	1,234,200	2053
	$1,755,000	$405,000	$715,000	$20,820,000	$23,695,000	$38,548,320	
	(1)	(1) (2)	(3) (4)	(3) (5)			

NOTE: 33% OF GENERAL OBLIGATION DEBT PAYABLE FROM REVENUES WILL BE RETIRED WITHIN TEN YEARS.

(1) These bonds are payable primarily from net revenues of the municipal sewer and water utility systems and additionally secured by ad valorem taxes on all taxable property within the City and without limitation of amount.

(2) This schedule represents a portion of the $2,915,000 General Obligation Bonds, Series 2016A, dated May 1, 2016, consisting of $1,805,000 payable from special assessments, $820,000 payable from net revenues of the municipal utility system, and $290,000 payable from taxes.

(3) These bonds are payable primarily from net revenues of the municipal water utility system and additionally secured by ad valorem taxes on all taxable property within the City and without limitation of amount.

(4) This schedule represents a portion of the $1,950,000 General Obligation Bonds, Series 2020A, dated July 8, 2020, consisting of $805,000 payable from taxes and $1,145,000 payable from net revenues of the municipal water system.

(5) This schedule represents a portion of the $25,545,000 General Obligation Bonds, Series 2023A, dated May 11, 2023, consisting of $3,760,000 payable from tax abatements and $21,785,000 payable from net revenues of the municipal water system.

Indirect Debt*

Issuer	*2023/2024 Tax Capacity Value*[(1)]	*2023/2024 Tax Capacity Value in City*[(1)]	*Percentage Applicable in City*	*Outstanding General Obligation Debt*	*Taxpayers' Share of Debt*
Hennepin County	$ 2,859,451,218	$19,752,507	0.69%	$1,211,355,000	$ 8,358,350
ISD No. 279, Osseo	306,328,374	2,777,877	0.91	358,685,000	3,264,034
ISD No. 284, Wayzata	240,984,017	4,386,667	1.82	175,465,000	3,193,463
ISD No. 877, Buffalo	62,636,554	5,032,172	8.03	68,115,000	5,469,635
ISD No. 879, Delano	27,797,054	1,537,043	5.53	50,945,000	2,817,259
ISD No. 883, Rockford	21,282,289	6,018,748	28.28	22,760,000	6,436,528
Metropolitan Council	6,313,906,529	19,752,507	0.31	5,025,000[(2)]	15,578
Metro Transit	5,540,695,433	19,752,507	0.36	173,480,000[(3)]	624,528
Three Rivers Park District	2,052,772,775	19,752,507	0.96	54,290,000	521,184
Hennepin County Railroad Authority	2,859,451,218	19,752,507	0.69	76,945,000	530,921
				Total Indirect Debt:	$ 31,231,480

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* Only those taxing jurisdictions with general obligation debt outstanding are included. Debt figures do not include non-general obligation debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness. Debt listed is as of March 2, 2025, unless otherwise noted.

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

(2) Metropolitan Council has $5,025,000 of general obligation debt outstanding as of December 31, 2024. This debt is payable from ad valorem taxes levied on all taxable property within the Metropolitan Taxing District. This amount excludes $1,166,500,000 of general obligation debt payable from wastewater and sewer revenues, and lease agreements.

(3) Metropolitan Transit has $173,480,000 of property tax supported general obligation debt outstanding as of December 31, 2024. Transit debt is issued by the Metropolitan Council for public transit operations and is payable from ad valorem taxes levied on all taxable property within the Metropolitan Transit District. This amount excludes $227,150,000 of general obligation debt payable from revenues.

General Obligation Debt

Bonds secured by taxes (includes this Issue)	$ 8,850,000
Bonds secured by special assessments	385,000
Bonds secured by tax abatements	4,380,000
Bonds secured by water/sewer revenues	23,695,000
Subtotal	$ 37,310,000
Less bonds secured by water/sewer revenues	(23,695,000)
Direct General Obligation Debt	13,615,000
Add taxpayers' share of indirect debt	31,231,480
Direct and Indirect Debt	$ 44,846,480

Facts for Ratio Computations

2023/2024 Economic Market Value (real and personal property)	$2,103,787,150
Population (2024 City estimate)	8,846

Debt Ratios Excluding Revenue-Supported Debt

	Direct Debt	*Indirect Debt*	*Direct and Indirect Debt*
To Economic Market Value	0.64%	1.49%	2.13%
Per Capita	$1,539	$3,531	$5,070

APPENDIX A

Form of Legal Opinion

$__________
City of Corcoran, Minnesota
General Obligation Bonds
Series 2025A

We have acted as bond counsel to the City of Corcoran, Hennepin County, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2025A (the "Bonds"), originally dated the date hereof, and issued in the original aggregate principal amount of $__________. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

2. The principal of and interest on the Bond are payable from ad valorem taxes, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Further, and to the extent of the aforementioned federal income tax exclusion, interest on the Series 2025 Bonds is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. The opinions set forth in the preceding sentences ~~is~~ 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 Series 2025 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes and from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes and in taxable net income for Minnesota income tax purposes, retroactively to the date of issuance of the Series 2025 Bonds. Interest on the Series 2025 Bonds (a) may affect the federal alternative minimum tax imposed on certain corporations, and (b) is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

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

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.

Dated ________, 2025 at Minneapolis, Minnesota.

APPENDIX B

Continuing Disclosure Certificate

$__________
City of Corcoran, Minnesota
General Obligation Bonds
Series 2025A

CONTINUING DISCLOSURE CERTIFICATE

_________, 2025

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Corcoran, Minnesota (the "Issuer") in connection with the issuance of its General Obligation Bonds, Series 2025A (the "Bonds") in the original aggregate principal amount of $__________. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the "Resolutions"). The Bonds are being delivered to _________________, __________, ________ (the "Purchaser") on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

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

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Bonds, Series 2025A, issued by the Issuer in the original aggregate principal amount of $__________.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final Official Statement, dated __________, 2025, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

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

"Fiscal Year" means the fiscal year of the Issuer.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

"Holder" means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

"Issuer" means the City of Corcoran, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means ________________, __________, ________.

"Repository" means EMMA, or any successor thereto designated by the SEC.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2024, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Economic and Financial Information – "Valuations," "Tax Capacity Rates," and "Tax Levies and Collections"
2. Summary of Debt and Debt Statistics

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material 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 security, or other material events affecting the tax status of the security;

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 securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

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.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this

Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds 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 under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

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IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF CORCORAN, MINNESOTA

____
Mayor

____
City Administrator

APPENDIX C

City's Financial Report

The following financial statements are excerpts from the annual financial report for the year ended December 31, 2023. The complete financial report for the year 2023 and the prior two years are available for inspection at the Corcoran 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.

ANNUAL FINANCIAL REPORT

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of Corcoran, Minnesota
Annual Financial Report
Table of Contents
For the Year Ended December 31, 2023

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INTRODUCTORY SECTION

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of Corcoran, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2023

ELECTED

Name	Term Expires	Title
Tom McKee	12/31/24	Mayor
Jonathan Bottema	12/31/24	Council Member
Jeremy Nichols	12/31/26	Council Member
Dean Vehrenkamp	11/01/24	Council Member
Alan Schutlz	12/31/26	Council Member
APPOINTED		
Jay Tobin		City Administrator
Jodie Peterson		Accountant
Michelle Friedrich		Deputy Clerk

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FINANCIAL SECTION

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Corcoran, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Corcoran, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis Page 17 and the Schedule of Employer's Share of the Net Pension Liability, the Schedule of Employer's Contributions, and the related note disclosures, starting on page 76 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, 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 opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 9, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Abdo

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Minneapolis, Minnesota
July 9, 2024

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Management's Discussion and Analysis

As management of the City of Corcoran, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023.

Financial Highlights page

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased as shown in the summary of changes in net position table on the following pages. The main reason for the increase was an excess of revenues over expenses.

- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to an increase in park dedication fees over current year expenditures, as well as revenues over expenditures in the General fund. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.

- The total fund balance in the General fund, as shown in the financial analysis of the city's funds section, increased from the prior year. The increase can mainly be attributed to increase in tax and intergovernmental revenue.

- The City's total bonded debt increased during the current fiscal year. This was mainly due to the issuance of the 2023A bonds during the year offset by regularly scheduled principal payments as shown on the outstanding debt table.

Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

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

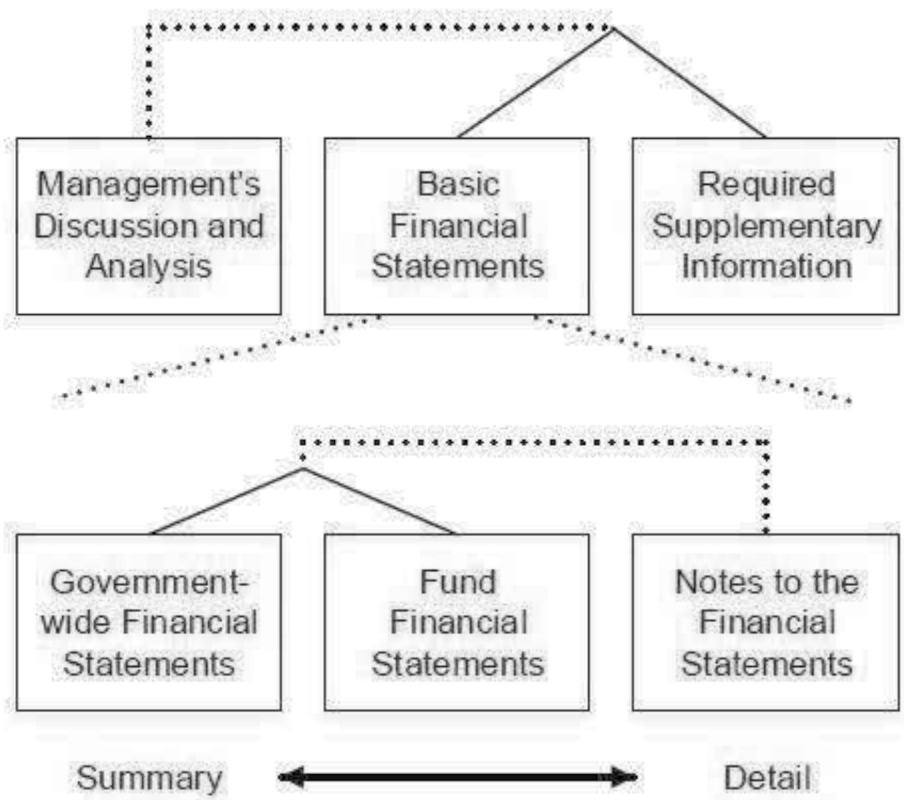


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

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

		Fund Financial Statements	
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included.	All deferred outflows/inflows of resources, regardless of when cash is received or paid.
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority for which the City is financially accountable. The Economic Development Authority, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as part of the primary government.

The government-wide financial statements start on page 31 of this report.

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

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

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

The City maintains numerous 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, Debt Service fund, Pavement Management fund, and Park Capital fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation identified as other nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

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

The basic governmental fund financial statements start on page 36 of this report.

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

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

The basic proprietary funds financial statements start on page 44 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 47 of this report.

Required Supplementary Information. supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on page 76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 84 of this report.

Government-wide Financial Analysis

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

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

City of Corcoran's Summary of Net Position

	Governmental Activities			Business-type Activities			
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)	2023 Total
Assets							
Current and other assets	$ 21,065,177	$ 17,673,800	$ 3,391,377	$ 25,589,908	$ 7,270,198	$ 18,319,710	$ 46,655,085
Capital assets	25,378,535	18,760,078	6,618,457	16,859,760	10,170,265	6,689,495	42,238,295
Total Assets	46,443,712	36,433,878	10,009,834	42,449,668	17,440,463	25,009,205	88,893,380
Deferred Outflows of Resources	2,974,078	2,938,941	35,137	-	-	-	2,974,078
Liabilities							
Noncurrent liabilities outstanding	16,909,649	14,488,234	2,421,415	25,969,442	3,561,091	22,408,351	42,879,091
Other liabilities	3,627,721	4,616,875	(989,154)	2,468,271	1,412,421	1,055,850	6,095,992
Total Liabilities	20,537,370	19,105,109	1,432,261	28,437,713	4,973,512	23,464,201	48,975,083
Deferred Inflows of Resources	2,664,808	120,001	2,544,807	-	-	-	2,664,808
Net Position							
Net investment in capital assets	13,242,057	10,778,090	2,463,967	6,118,831	7,122,284	(1,003,453)	19,360,888
Restricted	7,384,027	7,402,575	(18,548)	-	-	-	7,384,027
Unrestricted	5,589,528	1,967,044	3,622,484	7,893,124	5,344,667	2,548,457	13,482,652
Total Net Position	$ 26,215,612	$ 20,147,709	$ 6,067,903	$ 14,011,955	$ 12,466,951	$ 1,545,004	$ 40,227,567
Net Position as a Percentage of Total							
Net investment in Capital assets	50.5%	53.5%		43.7%	57.1%		
Restricted	28.2%	36.7%		0.0%	0.0%		
Unrestricted	21.3%	9.8%		56.3%	42.9%		
	100%	100%		100.0%	100.0%		

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole.

Governmental Activities. Governmental activities increased the City's net position. Key elements of the changes are as follows:

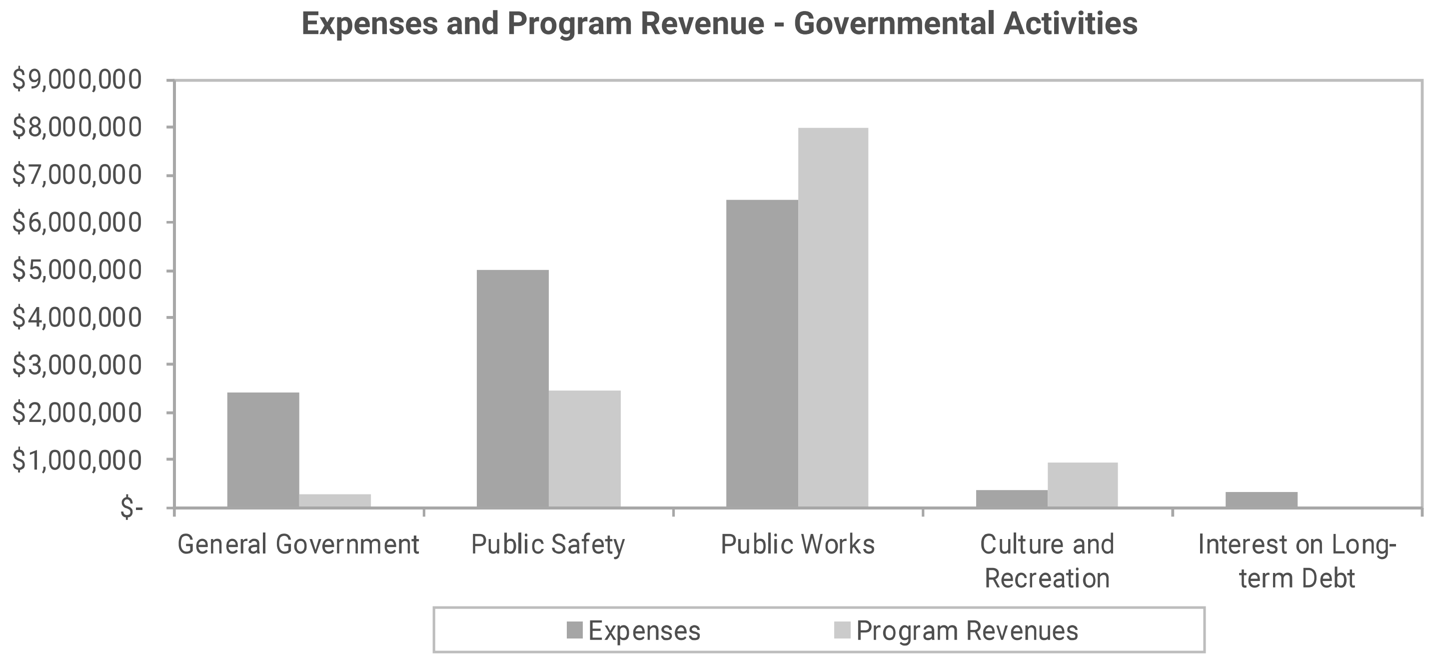
City of Corcoran's Changes in Net Position

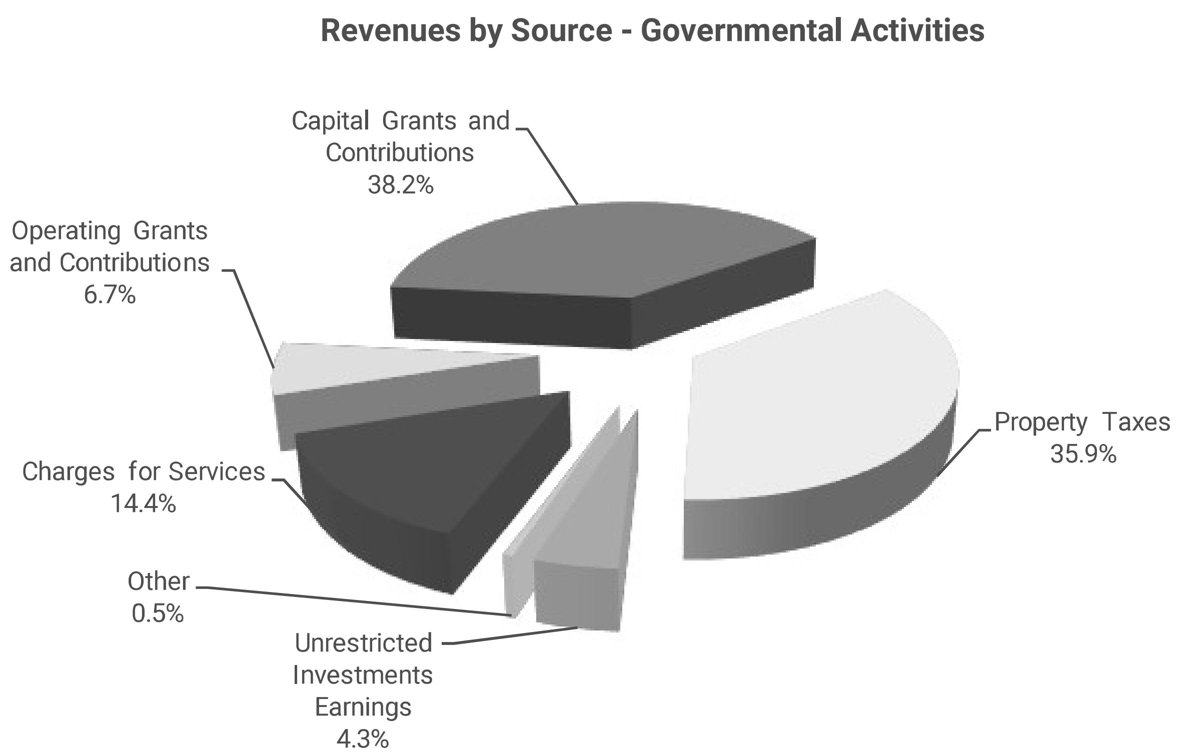
	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	$ 2,839,529	$ 3,414,438	$ (574,909)	$ 1,325,601	$ 943,910	$ 381,691
Operating grants and contributions	1,318,122	959,135	358,987	54,723	7,262	47,461
Capital grants and contributions	7,514,690	4,345,421	3,169,269	2,338,013	1,914,866	423,147
General Revenues						
Property taxes	7,068,208	5,696,404	1,371,804	-	-	-
Other taxes	66,865	62,153	4,712	-	-	-
Grants and contributions not restricted to specific programs	6,165	40,354	(34,189)	-	-	-
Unrestricted investment earnings	847,268	98,669	748,599	824,239	46,524	777,715
Gain on sale of capital assets	22,546	716,523	(693,977)	-	-	-
Total Revenues	19,683,393	15,333,097	4,350,296	4,542,576	2,912,562	1,630,014
Expenses						
General government	2,419,176	1,926,582	492,594	-	-	-
Public safety	4,986,809	3,532,589	1,454,220	-	-	-
Public works	6,468,559	6,820,075	(351,516)	-	-	-
Culture and recreation	354,663	524,594	(169,931)	-	-	-
Interest on long-term debt	309,959	226,930	83,029	-	-	-
Water	-	-	-	1,768,661	593,290	1,175,371
Sewer	-	-	-	636,311	488,860	147,451
Total Expenses	14,539,166	13,030,770	1,508,396	2,404,972	1,082,150	1,322,822
Change in Net Position Before Transfers	5,144,227	2,302,327	2,841,900	2,137,604	1,830,412	307,192
Transfers	592,600	447,172	145,428	(592,600)	(447,172)	(145,428)
Change in Net Position	5,736,827	2,749,499	2,987,328	1,545,004	1,383,240	161,764
Net Position, January 1 as restated	20,809,861	17,398,210	3,411,651	12,466,951	11,083,711	1,383,240
Net Position, December 31	$ 26,546,688	$ 20,147,709	$ 6,398,979	$ 14,011,955	$ 12,466,951	$ 1,545,004

- Total revenues increased $4,350,296 from the prior year. The main reason for the increase was increased investment earnings, property taxes, and capital grants and contributions for active construction projects.

- Expenses increased $1,508,396 from the prior year. The main reason for the increase was related public safety expenditures incurred in comparison to the prior year.

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

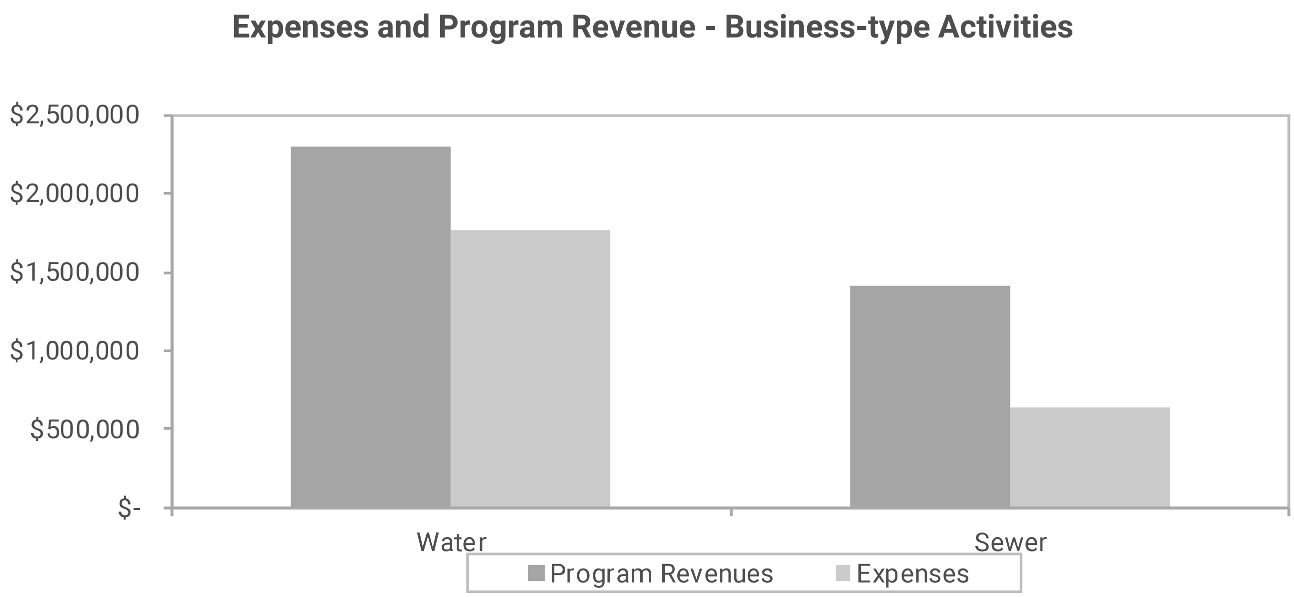


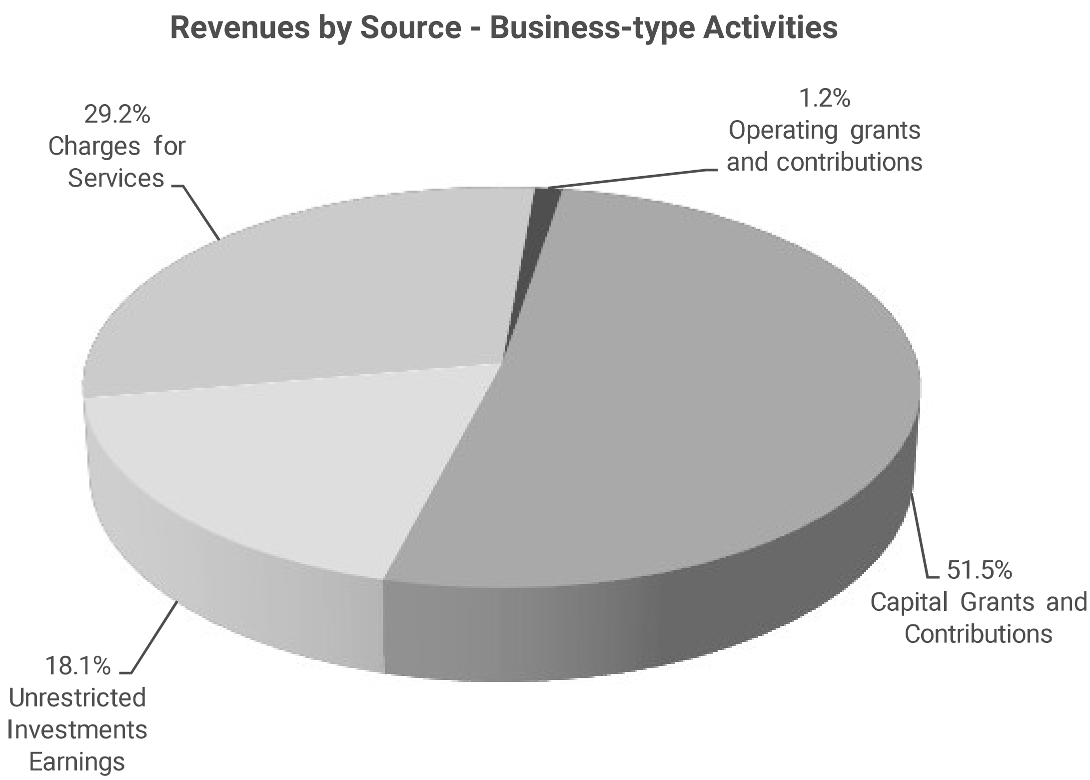


Business-type Activities. Business-type activities decreased the City's net position. Key elements of the changes are listed below:

- Overall revenues in the business-type activities increased mainly due to an increase in investment earnings and capital grants and contributions from connections fees during the year.

- Overall expenses increased mainly due to increased expenses for the water enterprise fund for operations and debt service.





Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2023.

	General Fund	Debt service	Pavement Management	Park Capital	Major Road Imrovement Funds	Other Governmental Funds	Total	Prior Year Total	Increase / (Decrease)
Fund Balances									
Nonspendable	$ 89,961	$ -	$ -	$ -	$ -	$ -	$ 89,961	$ 4,012	$ 85,949
Restricted	292,669	180,638	-	4,021,879	2,263,764	973,619	7,732,569	5,716,673	2,015,896
Committed	-	-	-	-	-	118,867	118,867	70,916	47,951
Assigned	-	-	-	358,350	-	2,214,388	2,572,738	1,037,346	1,535,392
Unassigned	4,201,198	-	(89,451)	-	-	(7,954)	4,103,793	3,081,228	1,022,565
Totals	$ 4,583,828	$ 180,638	$ (89,451)	$ 4,380,229	$ 2,263,764	$ 3,298,920	$ 14,617,928	$ 9,910,175	$ 4,707,753

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 54 of this report.

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

	Current Year Ending Balance	Prior Year Ending Balance	Increase / (Decrease)
General Fund Balances			
Nonspendable	$ 89,961	$ 4,012	$ 85,949
Restricted	292,669	-	292,669
Unassigned	4,201,198	3,083,695	1,117,503
Total General Fund Balances	$ 4,583,828	$ 3,087,707	$ 1,496,121
General Fund expenditures	$ 8,123,084	$ 7,117,249	
Unassigned as a percent of expenditures	51.7%	43.3%	
Total Fund Balance as a percent of expenditures	56.4%	43.4%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance can mainly be attributed to increase in property taxes and investment earnings.

Other Major Fund Analysis

Major Funds	Fund Balance December 31, 2023	2022	Increase (Decrease)
Debt Service	$ 180,638	$ 47,296	$ 133,342

The Debt Service fund has a total fund balance as note above, all of which is restricted for payment of future debt service. The fund balance increased from the prior year mainly due to issued bonds during the year.

Pavement Management	$ (89,451)	$ 357,362	$ (446,813)

The Pavement Management fund balance decreased during the year. The decrease is mainly attributable to a public works expenditures in excess of revenues in the current year.

Park Capital	$ 4,380,229	$ 3,345,654	$ 1,034,575

The Park Capital fund balance increased uring the year mainly due to charges for services, such as park dedication fees in excess of current year expenditures.

Hackmore Upgrade	$ 1,051,759	$ 854,499	$ 197,260

The Hackmore Upgrade fund balance decreased during the year mainly due to capital expenditures for improvements exceeding current year bond proceeds and reimbursements.

City Center Drive	$ 1,212,005	$ -	$ 1,212,005

The City Center Drive fund balance increased uring the year mainly due to resources from debt proceeds and contributions from developers exceeding current year project costs. The fund balance is restricted for future project expenses.

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

	Ending Net Position 2023	Ending Net Position 2022	Increase / (Decrease)
Net Position			
Water	$ 6,714,937	$ 5,801,684	$ 913,253
Sewer	7,218,694	6,599,987	618,707
Storm	78,324	65,280	13,044
Total Net Position	$ 14,011,955	$ 12,466,951	$ 1,545,004

General Fund Budgetary Highlights

The City's General fund was not amended during the year.

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 8,397,180	$ 10,041,071	$ 1,643,891
Expenditures	8,592,680	8,123,084	469,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,500)	1,917,987	2,113,487
Other Financing Sources (Uses)			
Transfers in	535,500	602,600	67,100
Transfers out	(360,000)	(1,025,981)	(665,981)
Sale of capital assets	-	1,515	1,515
Total Other Financing Sources (Uses)	175,500	(421,866)	(597,366)
Net Change in Fund Balances	(20,000)	1,496,121	1,516,121
Fund Balances, January 1	3,087,707	3,087,707	-
Fund Balances, December 31	$ 3,067,707	$ 4,583,828	$ 1,516,121

The City's General fund budget was not amended during the year and was balanced with revenues and transfers in equal to expenses and transfers out. Revenues were over budget mainly due to intergovernmental and interest revenues over expectation and expenditures were under budget during the year mainly due to less than expected public works expenditures and less than expected.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, is shown below in the capital assets table (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, Infrastructure and Construction in progress. The City's total investment in capital assets increased during the year as shown below.

Major capital events during the current fiscal year included the following:

- Corcoran Water Tower and Water Treatment Facility
- Water Tower Site Purchase
- Public Works Vehicles and Equipment
- Public Safety Vehicles and Equipment
- 66th Avenue and Gleason Parkway Improvements
- City Center Drive Improvements
- Hackamore Road Improvements
- Key Management Systems

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

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

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land	$ 3,292,827	$ 3,292,827	$ -	$ 647,509	$ 492,784	$ 154,725
Construction in Progress	7,356,840	3,378,929	3,977,911	7,700,072	813,423	6,886,649
Buildings	3,289,116	3,474,149	(185,033)	-	-	-
Equipment	2,619,515	2,373,482	246,033	42,314	46,161	(3,847)
Infrastructure	8,820,237	6,240,691	2,579,546	8,469,865	8,817,897	(348,032)
Total	$ 25,378,535	$ 18,760,078	$ 6,618,457	$ 16,859,760	$ 10,170,265	$ 6,689,495
Percent Increase/(Decrease)			35%			66%

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of revenue bonds and improvement bonds as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Corcoran's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
G.O. Bonds	$ 11,940,000	$ 8,835,000	$ 3,105,000	$ -	$ -	$ -
Revenue Bonds	-	-	-	24,790,000	3,255,000	21,535,000
Unamortized Premium on Bonds	586,779	231,068	355,711	992,241	76,658	915,583
Notes Payable	-	-	-	187,201	229,433	(42,232)
Total	$ 12,526,779	$ 9,066,068	$ 3,460,711	$ 25,969,442	$ 3,561,091	$ 22,408,351
Percent Increase/(Decrease)			38%			629%

The City's total debt increased during the current fiscal year primarily because of the bonds issued during the current year. Additional information on the City's long-term debt can be found in Note 3D starting on page 61 of this report.

Economic Factors and Next Year's Budgets and Rates

The City continues to work towards increasing its unrestricted fund balance and remove unfunded liabilities. Property values continue to increase, and new residential development is at a pace of over 300 new homes per year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Corcoran, 8200 County Road 116, Corcoran, MN 55340.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of Corcoran, Minnesota
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	$ 15,339,667	$ 25,026,403	$ 40,366,070
Cash with fiscal agents	2,316,777	308,721	2,625,498
Receivables			
Accounts	66,925	91,373	158,298
Interest	187,634	-	187,634
Taxes	87,974	-	87,974
Special assessments	499,063	142,594	641,657
Due from other governments	2,477,176	1,115	2,478,291
Prepaid items	89,961	19,702	109,663
Capital assets			
Land and construction in progress	10,649,667	8,347,581	18,997,248
Depreciable, net of accumulated depreciation	14,728,868	8,512,179	23,241,047
Total Assets	46,443,712	42,449,668	88,893,380
Deferred Outflows of Resources			
Deferred pension resources	2,974,078	-	2,974,078
Liabilities			
Accounts payable	2,258,686	1,543,337	3,802,023
Escrow payable			
Due to other governments	15,696	334,254	349,950
Deposits payable	1,072,112	-	1,072,112
Accrued salaries payable	95,054	-	95,054
Accrued interest payable	186,173	590,680	776,853
Noncurrent liabilities			
Due within one year			
Long-term liabilities	1,002,202	903,931	1,906,133
Due in more than one year			
Long-term liabilities	11,904,583	25,065,511	36,970,094
Net pension liability	2,882,256	-	2,882,256
Other postemployment benefits liability	1,120,608	-	1,120,608
Total Liabilities	20,537,370	28,437,713	48,975,083
Deferred Inflows of Resources			
Deferred pension resources	2,664,808	-	2,664,808
Net Position			
Net investment in capital assets	13,242,057	6,118,831	19,360,888
Restricted for			
Debt service	222,397	-	222,397
Park dedication	4,021,879	-	4,021,879
Public safety	267,741	-	267,741
Capital outlay	2,872,010	-	2,872,010
Unrestricted	5,589,528	7,893,124	13,482,652
Total Net Position	$ 26,215,612	$ 14,011,955	$ 40,227,567

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

City of Corcoran, Minnesota
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	$ 2,419,176	$ 207,006	$ 66,154	$ 1,020
Public safety	4,986,809	1,298,113	1,160,945	-
Public works	6,468,559	454,549	38,448	7,513,670
Culture and recreation	354,663	879,861	52,575	-
Interest on long term debt	309,959	-	-	-
Total Governmental Activities	14,539,166	2,839,529	1,318,122	7,514,690
Business-type Activities				
Water	1,768,661	726,202	2,109	1,577,688
Sewer	636,311	599,399	52,614	760,325
Storm	-	-	-	-
Total Business-type Activities	2,404,972	1,325,601	54,723	2,338,013
Total	$ 16,944,138	$ 4,165,130	$ 1,372,845	$ 9,852,703

General Revenues
- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for debt service
  - Franchise taxes
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Gain on sale of capital assets
- Transfers
  - Total General Revenues

Change in Net Position

Net Position, January 1 as restated in Note 7

Net Position, December 31

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

Net Revenues (Expenses) and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (2,144,996)	$ -	$ (2,144,996)
(2,527,751)	-	(2,527,751)
1,538,108	-	1,538,108
577,773	-	577,773
(309,959)	-	(309,959)
(2,866,825)	-	(2,866,825)
-	537,338	537,338
-	776,027	776,027
-	-	-
-	1,313,365	1,313,365
(2,866,825)	1,313,365	(1,553,460)
6,263,905	-	6,263,905
804,303	-	804,303
66,865	-	66,865
6,165	-	6,165
847,268	824,239	1,671,507
22,546	-	22,546
592,600	(592,600)	-
8,603,652	231,639	8,835,291
5,736,827	1,545,004	7,281,831
20,478,785	12,466,951	32,945,736
$ 26,215,612	$ 14,011,955	$ 40,227,567

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

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FUND FINANCIAL STATEMENTS

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Corcoran, Minnesota
Balance Sheet
Governmental Funds
December 31, 2023

	100 General	300's Debt Service	408 Pavement Management	415 Park Capital
Assets				
Cash and temporary investments	$ 6,162,145	$ (1,933,015)	$ 1,183,307	$ 4,380,229
Cash with fiscal agents	990	2,111,918	-	-
Receivables				
Accounts	66,865	-	-	-
Interest	187,634	-	-	-
Taxes	87,974	-	-	-
Special assessments	38,082	227,932	233,049	-
Due from other governments	56,777	1,735	-	-
Prepaid items	89,961	-	-	-
Total Assets	$ 6,690,428	$ 408,570	$ 1,416,356	$ 4,380,229
Liabilities				
Accounts payable	$ 803,724	$ -	$ 1,266,716	$ -
Due to other governments	15,696	-	-	-
Deposits payable	1,066,070	-	6,042	-
Accrued salaries payable	95,054	-	-	-
Total Liabilities	1,980,544	-	1,272,758	-
Total Deferred Inflows of Resources				
Unavailable revenues - taxes	87,974	-	-	-
Unavailable revenues - special assessments	38,082	227,932	233,049	-
Unavailable revenues - intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	126,056	227,932	233,049	-
Fund Balances				
Nonspendable	89,961	-	-	-
Restricted	292,669	180,638	-	4,021,879
Committed	-	-	-	-
Assigned	-	-	-	358,350
Unassigned	4,201,198	-	(89,451)	-
Total Fund Balances	4,583,828	180,638	(89,451)	4,380,229
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,690,428	$ 408,570	$ 1,416,356	$ 4,380,229

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

419 Hackamore Upgrade	434 City Center Drive	Other Governmental Funds	Total Governmental Funds
$ 1,052,020	$ 1,353,786	$ 3,141,195	$ 15,339,667
-	-	203,869	2,316,777
-	-	60	66,925
-	-	-	187,634
-	-	-	87,974
-	-	-	499,063
-	2,418,664	-	2,477,176
-	-	-	89,961
$ 1,052,020	$ 3,772,450	$ 3,345,124	$ 21,065,177
$ 261	$ 141,781	$ 46,204	$ 2,258,686
-	-	-	15,696
-	-	-	1,072,112
-	-	-	95,054
261	141,781	46,204	3,441,548
-	-	-	87,974
-	-	-	499,063
-	2,418,664	-	2,418,664
-	2,418,664	-	3,005,701
-	-	-	89,961
1,051,759	1,212,005	973,619	7,732,569
-	-	118,867	118,867
-	-	2,214,388	2,572,738
-	-	(7,954)	4,103,793
1,051,759	1,212,005	3,298,920	14,617,928
$ 1,052,020	$ 3,772,450	$ 3,345,124	$ 21,065,177

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

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City of Corcoran, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2023

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

Total Fund Balances - Governmental	$ 14,617,928
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	34,347,615
Less: accumulated depreciation	(8,969,080)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund statements.	
Long-term liabilities at year-end consist of	
Bonds payable	(11,940,000)
Unamortized premium on bonds	(586,779)
Compensated absences payable	(380,006)
Other postemployment benefits payable	(1,120,608)
Net pension liability	(2,882,256)
Some receivables are not available soon enough to pay for current period expenditures, and, therefore, are unavailable in the funds.	
Taxes receivable	87,974
Special assessments receivable	499,063
Intergovernmental	2,418,664
Governmental funds do not report long-term amounts related to pensions and other postemployment benefits.	
Deferred outflows of pension resources	2,974,078
Deferred inflows of pension resources	(2,664,808)
Governmental funds do not report a liability for accrued interest until due and payable.	(186,173)
Total Net Position - Governmental Activities	$ 26,215,612

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

City of Corcoran, Minnesota

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2023

	100 General	**300's** Debt Service	**408** Pavement Management	**415** Park Capital
Revenues				
Taxes	$ 6,300,810	$ 804,303	$ -	$ -
Licenses and permits	1,733,964	-	-	-
Intergovernmental	1,350,857	-	312,970	-
Charges for services	170,851	-	-	836,393
Fines and forfeitures	29,748	-	-	-
Special assessments	633	78,067	32,451	-
Interest on investments	385,049	35	35,496	193,300
Miscellaneous	69,159	-	3,578,577	5,622
Total Revenues	10,041,071	882,405	3,959,494	1,035,315
Expenditures				
Current				
General government	1,983,266	-	-	-
Public safety	3,909,690	-	-	-
Public works	1,928,963	-	-	-
Culture and recreation	244,460	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	9,752	-	4,077,482	-
Culture and recreation	46,953	-	-	740
Debt service				
Principal	-	655,000	-	-
Interest and other charges	-	217,419	-	-
Total Expenditures	8,123,084	872,419	4,077,482	740
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,917,987	9,986	(117,988)	1,034,575
Other Financing Sources (Uses)				
Transfers in	602,600	-	327,313	-
Sale of capital assets	1,515	-	-	-
Bond issued	-	123,356	-	-
Premium on bonds issued	-	-	-	-
Transfers out	(1,025,981)	-	(987,214)	-
Total Other Financing Sources (Uses)	(421,866)	123,356	(659,901)	-
Net Change in Fund Balances	1,496,121	133,342	(777,889)	1,034,575
Fund Balances, January 1	3,087,707	47,296	357,362	3,345,654
Prior Period Adjustment (See Note 7)	-	-	331,076	-
Fund Balances, December 31	$ 4,583,828	$ 180,638	$ (89,451)	$ 4,380,229

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

419 Hackamore Upgrade	434 City Center Drive	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 7,105,113
-	-	-	1,733,964
-	-	-	1,663,827
-	-	27,531	1,034,775
-	-	-	29,748
-	-	-	111,151
53,511	79,820	100,057	847,268
2,939,707	701,284	59,947	7,354,296
2,993,218	781,104	187,535	19,880,142
-	-	44,633	2,027,899
-	-	29,081	3,938,771
-	-	-	1,928,963
-	-	-	244,460
-	-	79,429	79,429
-	-	115,354	115,354
3,715,958	2,640,020	532,499	10,975,711
-	-	16,698	64,391
-	-	-	655,000
-	41,458	-	258,877
3,715,958	2,681,478	817,694	20,288,855
(722,740)	(1,900,374)	(630,159)	(408,713)
-	316,657	1,686,538	2,933,108
-	-	24,884	26,399
920,000	2,716,644	-	3,760,000
-	406,391	-	406,391
-	(327,313)	-	(2,340,508)
920,000	3,112,379	1,711,422	4,785,390
197,260	1,212,005	1,081,263	4,376,677
854,499	-	2,217,657	9,910,175
-	-	-	331,076
$ 1,051,759	$ 1,212,005	$ 3,298,920	$ 14,617,928

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

City of Corcoran, Minnesota
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2023

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

Total Net Change in Fund Balances - Governmental Funds	$ 4,376,677
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	7,743,329
Depreciation expense	(1,122,534)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
Disposals	(29,696)
Depreciation on disposals	27,358
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts amortized in the statement of activities.	
Bonds issued	(3,760,000)
Premium on bonds issued	(406,391)
Amortization of bond premium	50,680
Principal repayments	655,000
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 the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(101,762)
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, they cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	7,934
Special assessments	(97,568)
Intergovernmental	(135,826)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(27,290)
Other postemployment benefits	(770,234)
Long-term pension activity is not reported in governmental funds.	
Pension expense	(677,500)
Pension revenue	4,650
Change in Net Position - Governmental Activities	$ 5,736,827

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

City of Corcoran, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	$ 6,393,020	$ 6,393,020	$ 6,300,810	$ (92,210)
Licenses and permits	1,326,850	1,326,850	1,733,964	407,114
Intergovernmental	338,245	338,245	1,350,857	1,012,612
Charges for services	277,565	277,565	170,851	(106,714)
Fines and forfeitures	25,000	25,000	29,748	4,748
Special assessments	-	-	633	633
Interest on investments	11,500	11,500	385,049	373,549
Miscellaneous	25,000	25,000	69,159	44,159
Total Revenues	8,397,180	8,397,180	10,041,071	1,643,891
Expenditures				
Current				
General government	1,953,140	1,953,140	1,983,266	(30,126)
Public safety	3,814,330	3,814,330	3,909,690	(95,360)
Public works	2,450,700	2,450,700	1,928,963	521,737
Culture and recreation	309,510	309,510	244,460	65,050
Capital outlay				
Public safety	10,000	10,000	-	10,000
Public works	15,000	15,000	9,752	5,248
Culture and recreation	40,000	40,000	46,953	(6,953)
Total Expenditures	8,592,680	8,592,680	8,123,084	469,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	(195,500)	(195,500)	1,917,987	2,113,487
Other Financing Sources (Uses)				
Transfers in	535,500	535,500	602,600	67,100
Transfers out	(360,000)	(360,000)	(1,025,981)	(665,981)
Sale of capital assets	-	-	1,515	1,515
Total Other Financing Sources (Uses)	175,500	175,500	(421,866)	(597,366)
Net Change in Fund Balances	(20,000)	(20,000)	1,496,121	1,516,121
Fund Balances, January 1	3,087,707	3,087,707	3,087,707	-
Fund Balances, December 31	$ 3,067,707	$ 3,067,707	$ 4,583,828	$ 1,516,121

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

City of Corcoran, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds			
			Nonmajor	
	Water	Sewer	Storm	Totals
Assets				
Current Assets				
Cash and temporary investments	$ 21,723,260	$ 3,224,819	$ 78,324	$ 25,026,403
Cash with fiscal agents	204,032	104,689	-	308,721
Accounts receivable	37,333	54,040	-	91,373
Special assessments receivable	39,076	9,769	-	48,846
Due from other governments	892	223	-	1,115
Prepaids	19,702	-	-	19,702
Total Current Assets	22,024,295	3,393,540	78,324	25,496,160
Noncurrent Assets				
Special assessments	74,999	18,750	-	93,748
Capital assets				
Land	520,892	126,617	-	647,509
Infrastructure	4,464,146	6,268,541	-	10,732,687
Machinery and equipment	57,700	-	-	57,700
Construction in progress	7,700,072	-	-	7,700,072
Less: accumulated depreciation	(951,080)	(1,327,128)	-	(2,278,208)
Net Capital Assets	11,791,730	5,068,030	-	16,859,760
Total Noncurrent Assets	11,866,729	5,086,780	-	16,953,508
Total Assets	33,891,024	8,480,320	78,324	42,449,668
Liabilities				
Current Liabilities				
Accounts payable	1,541,263	2,074	-	1,543,337
Due to other governments	247,627	86,627	-	334,254
Accrued interest payable	574,979	15,701	-	590,680
Notes payable - current	43,931	-	-	43,931
Bonds payable - current	774,400	85,600	-	860,000
Total Current Liabilities	3,182,200	190,002	-	3,372,202
Noncurrent Liabilities				
Notes payable	143,270	-	-	143,270
Bonds payable	23,850,617	1,071,624	-	24,922,241
Total Noncurrent Liabilities	23,993,887	1,071,624	-	25,065,511
Total Liabilities	27,176,087	1,261,626	-	28,437,713
Net Position				
Net investment in capital assets	2,208,025	3,910,806	-	6,118,831
Unrestricted	4,506,912	3,307,888	78,324	7,893,124
Total Net Position	$ 6,714,937	$ 7,218,694	$ 78,324	$ 14,011,955

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

City of Corcoran, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			
			Nonmajor	
	Water	Sewer	Storm	Totals
Operating Revenues				
Charges for services	$ 726,202	$ 599,399	$ -	$ 1,325,601
Operating Expenses				
Supplies	135,123	11,333	-	146,456
Repairs and maintenance	293,507	378,728	-	672,235
Depreciation	142,928	208,951	-	351,879
Total Operating Expenses	571,558	599,012	-	1,170,570
Operating Income (Loss)	154,644	387	-	155,031
Nonoperating Revenues (Expenses)				
Interest on investments	668,115	153,080	3,044	824,239
Other income	2,109	52,614	-	54,723
Interest expense	(1,197,103)	(37,299)	-	(1,234,402)
Total Nonoperating Revenuies (Expenses)	(526,879)	168,395	3,044	(355,440)
Income (Loss) Before Contributions and Transfers	(372,235)	168,782	3,044	(200,409)
Capital Contributions	1,577,688	760,325	-	2,338,013
Transfers In	-	-	10,000	10,000
Transfers Out	(292,200)	(310,400)	-	(602,600)
Change in Net Position	913,253	618,707	13,044	1,545,004
Net Position, January 1	5,801,684	6,599,987	65,280	12,466,951
Net Position, December 31	$ 6,714,937	$ 7,218,694	$ 78,324	$ 14,011,955

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

City of Corcoran, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			
			Nonmajor	
	Water	Sewer	Storm	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	$ 719,626	$ 641,555	$ -	$ 1,361,181
Payments to suppliers	(360,769)	(578,459)	-	(939,228)
Net Cash Provided (Used) by Operating Activities	358,857	63,096	-	421,953
Cash Flows from Noncapital Financing Activities				
Transfers in	-	-	10,000	10,000
Transfers out	(292,200)	(310,400)	-	(602,600)
Net Cash Used by Noncapital Financing Activities	(292,200)	(310,400)	10,000	(592,600)
Cash Flows from Capital and Related Financing Activities				
Connection fees received	936,416	759,322	-	1,695,738
Principal paid on notes payable	(42,232)	-	-	(42,232)
Special assessments received	43,049	10,762	-	53,811
Acquisition of capital assets	(5,782,758)	-	-	(5,782,758)
Proceeds from issuances of long-term debt	22,741,384	-	-	22,741,384
Principal paid on bonds	(169,700)	(80,300)	-	(250,000)
Interest and other paid on bonds and notes	(683,907)	(38,887)	-	(722,794)
Net Cash Provided by Capital and Related Financing Activities	17,042,252	650,897	-	17,693,149
Cash Flows from Investing Activities				
Interest received on investments	668,115	153,080	3,044	824,239
Net Increase (Decrease) in Cash and Cash Equivalents	17,777,024	556,673	13,044	18,346,741
Cash and Cash Equivalents, January 1	4,150,268	2,772,835	65,280	6,988,383
Cash and Cash Equivalents, December 31	$ 21,927,292	$ 3,329,508	$ 78,324	$ 25,335,124
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	$ 154,644	$ 387	$ -	$ 155,031
Adjustments to reconcile operating loss to net cash provided (used) by operating activities				
Other income related to operations	2,109	52,614	-	54,723
Depreciation	142,928	208,951	-	351,879
(Increase) decrease in assets				
Accounts receivable	(5,872)	(9,755)	-	(15,627)
Special assessments receivable	(3,019)	(755)	-	(3,774)
Due from other governments	206	52	-	258
Prepaid items	(19,702)	17,081	-	(2,621)
Increase (decrease) in liabilities				
Accounts payable	(58,059)	950	-	(57,109)
Due to other governments	145,622	(206,429)	-	(60,807)
Net Cash Provided (Used) By Operating Activities	$ 358,857	$ 63,096	$ -	$ 421,953
Noncash Capital and Related Financing Activities				
Acquisition of capital assets on account	$ 1,542,293	$ -	$ -	$ 1,542,293
Amortization of bond premium	$ 40,217	$ 584	$ -	$ 40,801

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

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Corcoran, Minnesota (the City), operates under a Home Rule Charter form of government. The charter provides for citizen input for initiative, referendum, and recall. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide the specific benefits to or impose specific financial burdens on the primary government.

Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are combined with data of the primary government. The City has the following component unit:

Blended Component Unit

The Economic Development Authority (the EDA) of the City was created pursuant to Minnesota statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The EDA may not exercise any of the powers enumerated by the authorizing statutes without prior approval of the Board of Commissioners. The activity of the EDA is blended and reported as a Debt Service fund due to the financial benefit/burden relationship. The EDA has no activity during the year. Separate financial statements are not issued for this component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *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. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

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

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Pavement Management fund* accounts for the accumulation of resources and payments made for future street improvement and pavement management capital outlay.

The *Park Capital fund* accounts for resources to be used in ongoing park improvement related projects.

The *Hackmore Upgrade fund* accounts for the accumulation of resources and payments made for the upgrade of Hackmore road and related improvements.

The *City Center Drive fund* accounts for the accumulation of resources and payments made for the City Center Drive road improvement project.

The City reports the following major proprietary funds:

The *Water fund* accounts for costs associated with the City's water system and ensures that user charges are sufficient to pay for those costs.

The *Sewer fund* accounts for the costs associated with the City's sewer system and ensures that user charges are sufficient to pay for those costs.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Deposits and Investments

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated “A” or better; revenue obligations rated “AA” or better.

4. General obligations of the Minnesota Housing Finance Agency rated “A” or better.

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

6. Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.

8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9. Guaranteed Investment Contracts (GIC’s) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The City’s investment policy limits the term of investments to less than five years. All other policy provisions are limited to Minnesota statutes.

The broker money market investment pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool share.

The City has the following recurring fair value measurements as of December 31, 2023:

- Government Securities of $2,625,498 are valued at amortized cost (Level 1 inputs)

- Negotiable Certificates of Deposit of $7,387,520 are valued using a matrix pricing model (Level 2 inputs)

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

Note 1: Summary of Significant Accounting Policies (Continued)

Investment Policy

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit, and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk*. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list above.

- *Custodial Credit Risk*. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.

- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City limits investments in any one institution, other than the U.S. Government or its agencies, to not more than $2,000,000 or 30 percent of the total portfolio. The City has no concentrations greater than their own requirements in any one issuer.

- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City requires at least 5 percent of the City's investment portfolio to be available on a daily basis without loss of principal. Also, no more than 30 percent of the portfolio should have maturities exceeding 3 years.

Property Taxes

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

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

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. The City annually certifies delinquent utilities to the County and therefore, there has been no allowance for doubtful accounts established. Amounts outstanding at year end are considered fully collectible.

Special Assessments

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

Prepaid Items

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

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plants, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the governmental activity's column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of five years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition on infrastructure assets are capitalized and reported in government-wide financial statements.

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

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

Assets	Useful Lives in Years
Buildings and Improvements	7 - 40
Infrastructure	15 - 50
Equipment and Machinery	5 - 60
Vehicles	3 - 50
Roads and Highways	20 - 40
Land Improvements	5 - 30

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which is paid to the employee upon separation. A portion of unused sick leave may also be paid upon separation from City service. In governmental fund types of the cost of these benefits are recognized when payments are made to the employees. The General fund is typically used to liquidate governmental compensated absences payable.

Postemployment Benefits Other than Pensions

Under Minnesota statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with GASB Statement 75, on December 31, 2022. The General fund is typically used to liquidate governmental another postemployment benefits payable.

Pensions

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

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

	Public Employees Retirement Association of Minnesota (PERA)		Total All
	GERP	PEPFP	Plans
City's proportionate share	$ 374,894	$ 677,397	$ 1,052,291
Proportionate share of State's contribution	158	(3,913)	(3,755)
Total Pension Expense	$ 375,052	$ 673,484	$ 1,048,536

Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, intergovernmental, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Furthermore, the City has additional items which qualify for reporting in this category on the statement of net position. The items, deferred pension resources are reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportions.

Fund Balance

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

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as due from other funds.

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

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

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

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

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

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unrestricted fund balance of 35 percent of budgeted operating expenditures for cash-flow timing needs.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

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

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

b. Restricted net position- Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position- All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets"

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

The appropriated budget is prepared by fund, function, and department. The City's department heads, with the approval of the City Council, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The budget was not amended during the year.

B. Deficit Fund Balance

For the year ended December 31, 2023, the following funds were in deficit:

Fund	Amount
Nonmajor	
Police Donation	$ 7,954

The deficit fund equity noted above is expected to be eliminated with future charges for services and reimbursements.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

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

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

Authorized collateral in lieu of a corporate surety bond includes:

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

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

At year end, the City's carrying amount of deposits was deficit $118,054 and the bank balance was $4,097,481. Of the bank balance $514,383 was covered by federal depository insurance and the remaining bank balance was covered by collateral held by the pledging financial institution in the City's name.

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2023, the City had the following investments that are insured or registered, or securities held by the City or its agent in the City's name.

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Money Market Mutual funds	N/A	Less than 1 year	$ 104,940			
4M Money Market Accounts	N/A	Less than 1 year	32,991,314			
Non-pooled Investments at Fair Value						
Brokered Certificates of Deposit	N/A	Less than 1 year	7,387,520	$ -	$ 7,387,520	$ -
Government Securities	AAA	Less than 1 year	2,625,498	2,625,498	-	-
				-	-	-
Total Investments			$ 43,109,272	$ 2,625,498	$ 7,387,520	$ -

1. Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
2. Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicated not applicable or unavailable.

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

Carrying Amount of Deposits	$ (118,054)
Cash on hand	350
Investments	43,109,272
Total	$ 42,991,568
As Presented on the Statement of Net Position	
Cash and temporary investments	$ 40,366,070
Cash held with fiscal agent	2,625,498
Total	$ 42,991,568

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	$ 3,292,827	$ -	$ -	$ 3,292,827
Construction in progress	3,378,929	6,856,636	(2,878,725)	7,356,840
Total Capital Assets not Being Depreciated	6,671,756	6,856,636	(2,878,725)	10,649,667
Capital Assets Being Depreciated				
Buildings	6,016,562	24,115	-	6,040,677
Equipment	6,253,922	807,264	(29,696)	7,031,490
Infrastructure	7,691,742	2,934,039	-	10,625,781
Total Capital Assets Being Depreciated	19,962,226	3,765,418	(29,696)	23,697,948
Less Accumulated Depreciation				
Buildings	(2,542,413)	(209,148)	-	(2,751,561)
Equipment	(3,880,440)	(558,893)	27,358	(4,411,975)
Infrastructure	(1,451,051)	(354,493)	-	(1,805,544)
Total Accumulated Depreciation	(7,873,904)	(1,122,534)	27,358	(8,969,080)
Total Capital Assets Being Depreciated, Net	12,088,322	2,642,884	-	14,728,868
Governmental Activities Capital Assets, Net	$ 18,760,078	$ 9,499,520	$ (2,878,725)	$ 25,378,535

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

Governmental Activities	
General government	$ 59,309
Public safety	135,766
Public works	902,101
Culture and recreation	25,358
Total Depreciation Expense - Governmental Activities	$ 1,122,534

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	$ 492,784	$ 154,725	$ -	$ 647,509
Construction in progress	813,423	6,886,649	-	7,700,072
Total Capital Assets not Being Depreciated	1,306,207	7,041,374	-	8,347,581
Capital Assets Being Depreciated				
Infrastructure	10,732,686	-	-	10,732,686
Machinery and Equipment	57,700	-	-	57,700
Total capital assets being depreciated	10,790,386	-	-	10,790,386
Less Accumulated Depreciation				
Infrastructure	(1,914,789)	(348,032)	-	(2,262,821)
Machinery and Equipment	(11,539)	(3,847)		(15,386)
Total accumulated depreciation	(1,926,328)	(351,879)	-	(2,278,207)
Total Capital Assets Being Depreciated, Net	8,864,058	(351,879)	-	8,512,179
Business-type Activities Capital Assets, Net	$ 10,170,265	$ 6,689,495	$ -	$ 16,859,760

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type Activities	
Water	$ 142,928
Sewer	208,951
Total Depreciation Expense - Business-type Activities	$ 351,879

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City has three active construction projects as of December 31, 2023. At year end, the City's commitments with the contractors are as follows:

Project	Spent to Date	Remaining Commitment
City Center Drive and 79th Place	$ 3,871,454	$ 3,267,521
Water Treatment Plant	4,508,353	12,219,847
Corcoran Water Tower	1,939,285	2,764,101
Total	$ 10,319,092	$ 18,251,469

C. Interfund Balances and Transfers

Interfund Transfers

The composition of interfund transfers as of December 31, 2023 is as follows:

	Transfers In					
Fund	General	Pavement Management	City Center Drive	Stormwater	Nonmajor Governmental	Total
Transfers Out						
General	$ -	$ -	$ -	$ 10,000	$ 1,015,981	$ 1,025,981
City Center Drive	-	327,313	-	-	-	327,313
Pavement Management	-	-	316,657	-	670,557	987,214
Water	292,200	-	-	-	-	292,200
Sewer	310,400	-	-	-	-	310,400
Total	$ 602,600	$ 327,313	$ 316,657	$ 10,000	$ 1,686,538	$ 2,943,108

The City annually budgets transfers for specific purposes. Annual transfers include transfers designated as a percentage of annual revenues, transfers made to cover funds annual operations, transfers made as part of capital improvement plans and to fund future capital projects.

Note 3: Detailed Notes on All Funds (Continued)

D. Long-term Debt

General Obligation Bonds (G.O. Bonds)

The City issued G.O. bonds in governmental activities for equipment purchases and the construction of the new public works facility. Both will be repaid with tax levy. Each year the tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax payments.

G.O. bonds are direct obligations and pledge the full faith and credit of the City. Bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Equipment Certificate of 2016A	$ 290,000	2.00 - 3.00 %	05/01/16	05/01/26	$ 105,000
G.O. Improvement Bonds Series 2016A	2,625,000	2.00 - 2.40	05/01/16	05/01/32	1,270,000
G.O. Equipment Certification of 2018A	600,000	3.00 - 3.125	05/31/18	02/01/34	350,000
G.O. Bonds Series 2018A	1,235,000	3.00 - 3.125	05/31/18	02/01/34	955,000
G.O. Equipment Certification of 2020A	805,000	1.60 - 2.35	07/01/20	02/01/30	640,000
G.O. Capital Improvement Bonds Series 2020B	3,365,000	1.20 - 2.00	11/05/20	02/01/38	3,060,000
G.O. Equipment Certificate of 2022A	1,800,000	3.12 - 4.00	06/02/22	02/01/32	1,800,000
G.O. Improvement Bonds Series 2023A	3,760,000	4.00 - 5.00	05/11/23	02/01/39	3,760,000
Total General Obligation Bonds					$ 11,940,000

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	$ 835,000	$ 398,088	$ 1,233,088
2025	1,045,000	333,568	1,378,568
2026	1,075,000	301,435	1,376,435
2027	1,070,000	268,633	1,338,633
2028	915,000	236,856	1,151,856
2029-2033	4,035,000	757,170	4,792,170
2034-2038	2,655,000	252,368	2,907,368
2039	310,000	6,200	316,200
Total	$ 11,940,000	$ 2,554,318	$ 14,494,318

Note 3: Detailed Notes on All Funds (Continued)

G.O. Revenue Bonds

The following bonds were issued to finance capital improvements, and finance acquisition and construction of capital facilities. They will be repaid from future net revenues pledged from the Water and Sewer funds and are backed by the taxing power of the City.

G.O. revenue bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility Revenue Bonds, Series 2014B	$ 3,130,000	2.00 - 3.625 %	08/01/14	02/01/35	$ 2,070,000
G.O. Utility Revenue Bonds, Series 2020A	1,145,000	1.60 - 2.35	07/01/20	02/01/31	935,000
G.O. Utility Revenue Bonds, Series 2023A	21,785,000	4.00 - 5.00	05/11/23	02/01/53	21,785,000
Total General Obligation Revenue Bonds					$ 24,790,000

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

Year Ending December 31,	Business-Type Activities Principal	Interest	Total
2024	$ 860,000	$ 1,195,239	$ 2,055,239
2025	640,000	959,973	1,599,973
2026	670,000	933,578	1,603,578
2027	690,000	905,919	1,595,919
2028	720,000	876,943	1,596,943
2029-2033	3,730,000	3,903,290	7,633,290
2034-2038	3,485,000	3,133,084	6,618,084
2039-2043	3,785,000	2,432,500	6,217,500
2044-2048	4,605,000	1,595,900	6,200,900
2049-2053	5,605,000	578,100	6,183,100
Total	$ 24,790,000	$ 16,514,526	$ 41,304,526

Annual revenue from operations, principal and interest payments on bonds, and the percentage of revenues required to cover principal and interest are as follows:

	Water	Sewer
Net Operating Revenues	$ 726,202	$ 599,399
Principal and Interest	844,656	119,187
Percentage of Revenues	86.0%	502.9%

Note 3: Detailed Notes on All Funds (Continued)

Notes Payable

The City has the following notes payable outstanding for water connection charges.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Maple Grove - WAC	$ 300,000	5.50 %	01/01/14	12/20/27	$ 140,085
Maple Grove - WAC	117,790	0.0	02/16/16	01/01/27	47,116
Total Notes Payable					$ 187,201

Annual debt service requirements to maturity for notes outstanding are as follows:

Year Ending December 31,	Business-Type Activities Principal	Interest	Total
2024	$ 43,931	$ 7,252	$ 51,183
2025	45,723	5,460	51,183
2026	47,617	3,566	51,183
2027	49,930	1,253	51,183
Total	$ 187,201	$ 17,531	$ 204,732

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
G.O. bonds payable	$ 8,835,000	$ 3,760,000	$ (655,000)	$ 11,940,000	$ 835,000
Unamortized premium on bonds	231,068	406,391	(50,680)	586,779	-
Total Bonds Payable	9,066,068	4,166,391	(705,680)	12,526,779	835,000
Compensated Absences Payable	352,716	313,229	(285,939)	380,006	167,202
Governmental Activity Long-term Liabilities	$ 9,418,784	$ 4,479,620	$ (991,619)	$ 12,906,785	$ 1,002,202
Business-type Activities					
Bonds Payable					
Revenue bonds payable	$ 3,255,000	$ 21,785,000	$ (250,000)	$ 24,790,000	$ 860,000
Unamortized premium on bonds	76,658	956,384	(40,801)	992,241	-
Total Bonds Payable	3,331,658	22,741,384	(290,801)	25,782,241	860,000
Notes Payable	229,433	-	(42,232)	187,201	43,931
Business-type Activity Long-term Liabilities	$ 3,561,091	$ 22,741,384	$ (333,033)	$ 25,969,442	$ 903,931

Note 3: Detailed Notes on All Funds (Continued)

E. Components of Fund Balance

At December 31, 2023, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned), or Unassigned. The following is a summary of the components of fund balance:

	General	Debt Service	Pavement Management	Park Capital	Hackamore Upgrade	City Center Drive	Nonmajor Governmental Funds	Total
Nonspendable								
Prepaid items	$ 89,961	$ -	$ -	$ -	$ -	$ -	$ -	$ 89,961
Restricted for								
Debt service	$ -	$ 180,638	$ -	$ -	$ -	$ -	$ -	$ 180,638
Capital outlay	292,669	-	-	-	-	-	705,878	998,547
Park dedication fees	-	-	-	4,021,879	1,051,759	1,212,005	-	6,285,643
Lawful gambling	-	-	-	-	-	-	255,788	255,788
Police expenditures	-	-	-	-	-	-	11,953	11,953
Total Restricted	$ 292,669	$ 180,638	$ -	$ 4,021,879	$ 1,051,759	$ 1,212,005	$ 973,619	$ 7,732,569
Committed to								
Emergency sirens	$ -	$ -	$ -	$ -	$ -	$ -	$ 64,954	$ 64,954
Police expenditures	-	-	-	-	-	-	49,923	49,923
Truck safety	-	-	-	-	-	-	3,990	3,990
Total Committed	$ -	$ -	$ -	$ -	$ -	$ -	$ 118,867	$ 118,867
Assigned to								
Long range capital planning	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,137,537	$ 2,137,537
Capital outlay	-	-	-	358,350	-	-	76,851	435,201
Total Assigned	$ -	$ -	$ -	$ 358,350	$ -	$ -	$ 2,214,388	$ 2,572,738
Unassigned	$ 4,201,198	$ -	$ (89,451)	$ -	$ -	$ -	$ (7,954)	$ 4,103,793

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

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

General Employee Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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

Police and Fire Plan Benefits

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

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

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City’s contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were $143,345, $110,142 and $97,494, respectively. The City’s contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City’s contributions to the Police and Fire Fund for the years ending December 31, 2023, 2022 and 2021 were $227,691, $175,464 and $137,660, respectively. The City’s contributions were equal to the required contributions for each year as set by state statute.

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

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of $1,269,359 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 $35,103. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0227 percent at the end of the measurement period and 0.0192 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	$ 1,269,359
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	35,103
Total	$ 1,304,462

For the year ended December 31, 2023, the City recognized pension expense of $374,894 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized $158 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $16 million to the General Employees Fund.

At December 31, 2023, 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	$ 40,143	$ 6,125
Changes in Actuarial Assumptions	145,126	347,920
Net Difference Between Projected and Actual Investment Earnings	2,925	-
Changes in Proportion	173,832	-
Contributions Paid to PERA Subsequent to the Measurement Date	70,955	-
Total	$ 432,981	$ 354,045

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

The $70,955 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	$	109,772
2025		(78,822)
2026		4,568
2027		(27,537)

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of $1,612,897 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0934 percent at the end of the measurement period and 0.0735 percent for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of $9 million in direct state aid that does meet the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay $9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The $9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $64,994.

City Proportionate Share of the Net Pension Liability	$	1,612,897
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the		64,994
Total	$	1,677,891

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the $9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of $677,397 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional negative $3,914 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's contribution of $9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9 million in supplemental state aid. The City recognized $8,406 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

At December 31, 2023, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 394,524	$ -
Changes in Actuarial Assumptions	1,372,799	2,264,942
Net Difference Between Projected and Actual Investment Earnings	15,705	-
Changes in Proportion	644,514	45,821
Contributions Paid to PERA Subsequent to the Measurement Date	113,555	-
Total	$ 2,541,097	$ 2,310,763

The $113,555 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	$ 130,816
2025	81,532
2026	340,075
2027	(35,474)
2028	(400,170)

E. Long-term Expected Return on Investment

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

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

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, 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 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1.00 percent for the the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent 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 is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

<u>General Employees Fund</u>

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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

Police and Fire Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Funds were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Pension Liability Sensitivity

The following presents the City'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 one percentage point lower or one percentage point higher than the current discount rate:

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	$ 2,245,597	$ 1,269,359	$ 466,365
Police and Fire Fund	3,200,179	1,612,897	307,938

I. Pension Plan Fiduciary Net Position

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

Note 5: Postemployment Benefits Other Than Pensions

A. Plan Description

The City's defined benefit healthcare plan ("the Retiree Health Plan") provides healthcare insurance for eligible retirees and their spouses. The Retiree Health Plan is affiliated with the healthcare plan administered through LOGIS, an agent multiple-employer postemployment healthcare plan. LOGIS is a consortium of Minnesota local government units controlled by its members. LOGIS' Board of Directors is composed of one representative from each agency. LOGIS issues a publicly available financial report that includes financial statements and required supplementary information for the health plan. That report may be obtained by writing to LOGIS, 5750 Duluth Street, Golden Valley, MN 55422, or by calling (763) 543-2600.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	1
Active Plan Members	23
Total Plan Members	24

B. Funding Policy

The contribution requirements of plan members and the City are established and may be amended by LOGIS' Board of Directors. For the year ended December 31, 2023, the City's average contribution rate was 0.90 percent of covered-employee payroll. For the year 2023, the City's implicit contributions to the plan totaled $44,826.

C. Actuarial Methods and Assumptions

The City's total OPEB liability of $1,120,608 was measured as of December 31, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2022. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

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

Discount Rate	3.77%
20-Year Municipal Bond Yield	2.90%
Inflation Rate	2.60%
Salary Increases	N/A
Medical Trend Rate	6.20% in 2022 decreasing 0.30% per year to an ultimate rate of 3.9%

The discount rate used to measure the total OPEB liability was 3.77 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate.

Rates from the most recent July 1, 2014 through June 30, 2018 PERA and TRA Experience Studies.

The actuarial assumptions used in the December 31, 2023 valuation was based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Note 5: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at January 1, 2023	$ 350,374
Changes for the Year:	
Service cost	19,424
Interest	14,069
Differences between expected and actual experience	677,909
Changes in assumptions or other inputs	103,658
Benefit payments	(44,826)
Net Changes	770,234
Balances at December 31, 2023	$ 1,120,608

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point than the current discount rate:

1 Percent Increase	Current Discount Rate (3.77%)	1 Percent Decrease
$ 988,597	$ 1,120,608	$ 1,280,696

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trent Rates that is 1-percentage point lower or 1-percentage-point higher than the current healthcare trend rate:

1 Percent Increase	Healthcare Cost Trend Rates	1 Percent Decrease
$ 1,287,408	$ 1,120,608	$ 981,128

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

For the year ended December 31, 2023, the City recognized OPEB expense of $815,060. At December 31, 2023, there are no deferred outflows of resources or deferred inflows of resources related to OPEB.

Note 6: Other Information

A. Risk Management

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

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

B. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The City is well below the legal debt margin as of December 31, 2023.

Note 7: Prior Period Adjustment

At December 31, 2023, the City's balances were adjusted and due to the following:

Fund	Net Position December 31, 2022 as Previously Reported	Prior Period Restatement (1)	Net Position January 1, 2023 as Restated
Governmental Activities	$ 20,147,709	$ (331,076)	$ 20,478,785

(1) To adjust ending governmnetal net position for the correction of revenue originally coded as a balance sheet escrow payable.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.0227 %	$ 1,269,359	$ 35,103	$ 1,304,462	$ 1,732,391	73.3 %	83.1 %
06/30/22	0.0192	1,520,646	44,439	1,565,085	1,405,282	108.2	76.7
06/30/21	0.0159	679,001	20,754	699,755	1,136,701	59.7	87.0
06/30/20	0.0147	881,332	27,082	908,414	1,032,335	85.4	79.0
06/30/19	0.0133	735,327	22,832	758,159	941,564	78.1	80.2
06/30/18	0.0130	721,187	23,786	744,973	876,976	82.2	79.5
06/30/17	0.0111	708,617	8,921	717,538	715,840	99.0	75.9
06/30/16	0.0106	860,667	11,305	871,972	658,533	130.7	68.9
06/30/15	0.0102	528,617	-	528,617	1,025,437	51.6	78.2

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

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/23	$ 143,345	$ 143,345	$ -	$ 1,911,267	7.5 %
12/31/22	110,142	110,142	-	1,468,559	7.5
12/31/21	97,494	97,494	-	1,299,921	7.5
12/31/20	79,572	79,572	-	1,060,960	7.5
12/31/19	74,497	74,497	-	993,289	7.5
12/31/18	68,497	68,497	-	913,292	7.5
12/31/17	59,070	59,070	-	787,600	7.5
12/31/16	52,496	52,496	-	699,947	7.5
12/31/15	46,319	46,319	-	617,587	7.5

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

Notes to the Required Supplementary Information - General Employee Fund

Changes in Actuarial Assumptions

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

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

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

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

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

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

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

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

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

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

Changes in Plan Provisions

2023 - An additional one-time direct state aid contribution of $170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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

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

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

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

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

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

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

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

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.0934 %	$ 1,612,897	$ 64,994	$ 1,677,891	$ 1,184,003	136.2 %	86.5 %
06/30/22	0.0735	3,198,430	139,705	3,338,135	900,268	355.3	70.5
06/30/21	0.0588	453,874	20,390	474,264	701,855	64.7	93.7
06/30/20	0.0691	910,812	21,449	932,261	780,391	116.7	87.2
06/30/19	0.0692	736,704	-	736,704	729,156	101.0	89.3
06/30/18	0.0655	698,163	-	698,163	689,830	101.2	88.8
06/30/17	0.0620	837,074	-	837,074	703,095	119.1	85.4
06/30/16	0.0510	2,046,719	-	2,046,719	576,654	354.9	63.9
06/30/15	0.0560	636,291	-	636,291	475,475	133.8	86.6

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

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

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/23	$ 227,691	$ 227,691	$ -	$ 1,286,390	17.70 %
12/31/22	175,464	175,464	-	991,320	17.70
12/31/21	137,660	137,660	-	777,738	17.70
12/31/20	133,277	133,277	-	752,977	17.70
12/31/19	131,228	131,228	-	774,204	16.95
12/31/18	113,901	113,901	-	703,095	16.20
12/31/17	106,295	106,295	-	656,142	16.20
12/31/16	93,418	93,418	-	576,654	16.20
12/31/15	77,027	77,027	-	475,475	16.2

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

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in Actuarial Assumptions

2023 - The investment return assumption was changed from 6.5 percent to 7.00 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

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

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

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

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

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

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

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

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

Changes in Plan Provisions

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

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

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

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

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

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

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

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

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

City of Corcoran, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2023

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 19,424	$ 25,166	$ 25,258	$ 21,963	$ 16,254	$ 16,488
Interest	14,069	8,344	8,966	10,359	12,423	10,632
Differences between expected and actual experience	677,909	-	(20,208)	-	(29,562)	-
Changes in assumptions	103,658	(51,370)	(12,838)	21,220	81,749	(17,796)
Benefit payments	(44,826)	(23,375)	(14,507)	(9,362)	(15,182)	(13,650)
Net Change in Total OPEB Liability	770,234	(41,235)	(13,329)	44,180	65,682	(4,326)
Total OPEB Liability - Beginning	350,374	391,609	404,938	360,758	295,076	299,402
Total OPEB Liability - Ending	$ 1,120,608	$ 350,374	$ 391,609	$ 404,938	$ 360,758	$ 295,076
Covered - Employee Payroll	$ 3,200,000	$ 2,600,000	$ 2,300,000	$ 1,700,000	$ 1,700,000	$ 1,300,000
City's total OPEB liability as a percentage of covered employee payroll	35.0 %	13.5 %	17.0 %	23.8 %	21.2 %	22.7 %

OTHER REQUIRED REPORT

CITY OF CORCORAN
CORCORAN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Corcoran, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Corcoran, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 9, 2024.

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

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

Abdo

Abdo
Minneapolis, Minnesota
July 9, 2024

PROPOSAL FORM

TO: City of Corcoran, Minnesota
C/O Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, Minnesota 55402
Phone: 612-851-5900

Sale Date: March 27, 2025

For all or none of the $3,960,000* General Obligation Bonds, Series 2025A, in accordance with the Notice of Sale, we will pay you $__________________, (not less than $3,898,620) plus accrued interest, if any, to date of delivery (estimated to be April 29, 2025) for fully registered Bonds bearing interest rates and maturing on February 1 as follows:

Year	Interest Rate	Yield	Year	Interest Rate	Yield	Year	Interest Rate	Yield	Year	Interest Rate	Yield
2027	____%	____%	2031	____%	____%	2035	____%	____%	2039	____%	____%
2028	____%	____%	2032	____%	____%	2036	____%	____%	2040	____%	____%
2029	____%	____%	2033	____%	____%	2037	____%	____%	2041	____%	____%
2030	____%	____%	2034	____%	____%	2038	____%	____%			

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 Notice of Sale 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 Corcoran, Minnesota at 6:00 PM on March 27, 2025.

_______________________________________ _______________________________________

Administrator Mayor

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* 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.