



# SOUTH METRO FIRE DEPARTMENT

1650 Humboldt Avenue • West St. Paul MN 55118

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[www.southmetrofire.com](http://www.southmetrofire.com)

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## AGENDA BOARD OF DIRECTORS MEETING

**Meeting Date:** April 17, 2024, at 4:30 PM  
**Meeting Place:** South St. Paul Training Room

- I. Roll Call  
*Board Members: Berry, Francis, Napier, Seaberg, Wippermann*
- II. Adopt Agenda
- III. Communications/Recognitions
- IV. Consent Agenda
  - a. [March 20, 2024, Meeting Minutes](#)
  - b. [March 2024 List of Claims](#)
  - c. [March 2024 Bank Reconciliation](#)
  - d. [March 2024 Month End Budget Report](#)
  - e. [March 2024 Run Summary Report](#)
- V. Committee Reports
  - a. None
- VI. Agenda Items
  - a. [Presentation by Brad Falteysek from Abdo of the 2023 Financial Audit](#)
- VII. Public Comment
- VIII. Adjourn

Next Regular Meeting – May 15, 2024, South St. Paul

## MINUTES

### SOUTH METRO FIRE DEPARTMENT BOARD OF DIRECTORS

Wednesday, March 20, 2024

West St Paul Lobby Conference Room

Members Present: James Francis, David Napier, Dennis Wippermann, Wendy Berry

Also Present: Chief Juelfs, Clara Hilger, Char Stark, Tim McNiff, T. Johnson, M. Erickson  
Members from Local 724 and Local 1059.

The meeting was called to order at 4:30 p.m.

#### ADOPT AGENDA

Motion was made to adopt the Agenda by Berry; seconded by Wippermann  
Motion carried.

#### COMMUNICATIONS/RECOGNITIONS

Emilie Langer's letter of resignation.  
Thank you card – South St Paul Schools

#### CONSENT AGENDA

Motion was made to approve the Consent Agenda by Wippermann; seconded by Francis.  
Motion carried.

#### COMMITTEE REPORTS

None

#### AGENDA ITEMS

Standard of Coverage Study Discussion  
Chief Juelfs discussed the possible implementation and recommendations from the coverage study. Citygate has proposed, as funding allows, increasing the minimum daily staffing from eight to twelve Firefighter/EMT's and adding a Battalion Chief on each shift to provide 24-7 command coverage. The Board agrees with the recommendations and wants to meet the safety standards. The implementation of the new minimums would be in phases over three years. Staff recommend applying for the SAFER Grant and if awarded the grant it would cover the cost of salary and benefits.

Motion was made to apply for the Safer Grant by Berry; seconded by Francis.  
Motion carried.

#### Public Safety Monies

In 2023 both cities received funding dedicated to public safety. South Metro requested money from each City to cover capital equipment costs. The money will be allocated to the Grant Fund.

Motion was made to approve the budget adjustment to account for public safety monies received from South St Paul and West St Paul to make purchases of minor equipment by Francis; seconded by Berry.

Motion carried.

#### Election of Board Officers

The Board must elect officers in March of each year. In the past the Board has utilized a rotation of filling the positions.

Motion was made to continue past practice by Berry; seconded Wippermann  
Officers for 2024

President – Tom Seaberg

Vice President – Wendy Berry

Secretary – James Francis

Treasurer – David Napier

Motion carried.

#### Committee Appointments

Each year the Board appoints members to the Budget Committee and the Finance Committee. The Board agreed to have each member keep their assigned appointment as in 2023.

Motion to keep the appointments as they were in 2023 by Francis; seconded by Berry.

Motion carried.

Chief Juelfs provided the 2025 Budget Process Timeline for informational purposes.

#### **PUBLIC COMMENT**

Board member Napier expressed how proud he, and the WSP Council, was of SMFD for their show of support to the Burnsville PD and Fire/EMS after the loss of three of their men.

#### **MOTION TO ADJOURN**

Motion to adjourn by Wippermann; seconded by Berry.

Motion carried.

The next regular meeting is scheduled on April 17, 2024, at 4:30 pm in South St. Paul

Respectfully submitted by:

Deb Wheeler

**SOUTH METRO FIRE**

Summary of List of Claims  
Board Meeting of April 17, 2024

**PAYROLL CHECK REGISTER:**

Payroll Period	3/4 - 3/17		
Date Paid	3/22/2024		
Direct Deposit		\$	123,902.15

Payroll Period	3/18 - 3/31		
Date Paid	4/5/2024	\$	127,209.93
Direct Deposit			

Payroll Period			
Date Paid			
Direct Deposit			

**TOTAL NET PAYROLL**

**\$ 251,112.08**

**DISBURSEMENT CHECK REGISTER:**

Checks	11313 - 11385	\$	58,685.26
EFTS	2812 - 2842	\$	347,501.65

**TOTAL DISBURSEMENT CHECKS**

**\$406,186.91**

**TOTAL PAYROLL, DISBURSEMENTS, ACH'S**

**\$657,298.99**

**South Metro Fire Department  
BANK RECONCILIATION  
March 31, 2024**

<b>Old National Bank</b>	
Ending Balance - Checking	\$ 1,467,165.88
Outstanding Disbursement Checks	(12,258.96)
DIT	75.00
Adjustments:	
<b>RECONCILED BALANCE</b>	<b>\$ 1,454,981.92</b>

<b>CITY TREASURER'S BALANCE:</b>	
Previous Month's Reconciled Balance	\$ 1,321,355.82
Daily Receipts Posted	870,616.44
Disbursement Checks Issued	(479,513.88)
Payroll Checks and Direct Deposits	(257,354.61)
Journal Entries	
Rev Prior Month Adj:	
Monthly Service fee	(116.47)
Clover App Fee	(5.35)
PERA cleared for .03 cents more than what was booked	(0.03)
<b>RECONCILED BALANCE</b>	<b>\$ 1,454,981.92</b>

<b>CASH ACCOUNT BALANCE:</b>	
	\$ 1,455,103.77
Monthly Service fee	(116.47)
Clover App Fee	(5.35)
PERA cleared for .03 cents more than what was booked	(0.03)
<b>RECONCILED BALANCE</b>	<b>\$ 1,454,981.92</b>

# Payment Register

From Payment Date: 3/13/2024 - To Payment Date: 4/11/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1-ANCHOR BAN - ANCHOR BANK									
Check									
11313	03/14/2024	Open			Accounts Payable	ASPEN MILLS	\$370.54		
11314	03/14/2024	Open			Accounts Payable	Citygate Associates, LLC	\$5,577.90	\$5,577.90	\$0.00
11315	03/14/2024	Open			Accounts Payable	EMERGENCY AUTOMOTIVE TECH	\$2,602.19	\$2,602.19	\$0.00
11316	03/14/2024	Open			Accounts Payable	Emergency Technical Decon	\$130.00	\$130.00	\$0.00
11317	03/14/2024	Open			Accounts Payable	EQUIPMENT MANAGEMENT CO	\$51.00	\$51.00	\$0.00
11318	03/14/2024	Open			Accounts Payable	GALLS, LLC	\$683.83	\$683.83	\$0.00
11319	03/14/2024	Open			Accounts Payable	IMAGE TREND	\$1,840.00	\$1,840.00	\$0.00
11320	03/14/2024	Open			Accounts Payable	INVER GROVE FORD	\$1,666.20	\$1,666.20	\$0.00
11321	03/14/2024	Open			Accounts Payable	LEAGUE OF MN CITIES INS. TRUST	\$374.47	\$374.47	\$0.00
11322	03/14/2024	Open			Accounts Payable	LEVANDER, GILLEN & MILLER, P.A	\$260.00	\$260.00	\$0.00
11323	03/14/2024	Open			Accounts Payable	Linde Gas and Equipment	\$156.19	\$156.19	\$0.00
11324	03/14/2024	Open			Accounts Payable	MacQueen Emergency Group	\$333.68	\$333.68	\$0.00
11325	03/14/2024	Open			Accounts Payable	MINNESOTA FIRE SERVICE CERTIFICATION BOARD	\$136.50	\$136.50	\$0.00
11326	03/14/2024	Open			Accounts Payable	OXYGEN SERVICE COMPANY	\$140.92	\$140.92	\$0.00
11327	03/14/2024	Open			Accounts Payable	Rihm Kenworth	\$115.70	\$115.70	\$0.00
11328	03/14/2024	Open			Accounts Payable	S ST PAUL/CITY OF	\$5,574.69	\$5,574.69	\$0.00
11329	03/14/2024	Open			Accounts Payable	SymbolArts LLC	\$1,852.00	\$1,852.00	\$0.00
11330	03/14/2024	Open			Accounts Payable	US Bank Equipment Finance	\$117.00	\$117.00	\$0.00
11331	03/26/2024	Open			Accounts Payable	ASPEN MILLS	\$353.15		
11332	03/26/2024	Open			Accounts Payable	Berry/ Wendy	\$100.00		
11333	03/26/2024	Open			Accounts Payable	CARDMEMBER SERVICES	\$5,880.12		
11334	03/26/2024	Open			Accounts Payable	Conley/Robert	\$570.75		
11335	03/26/2024	Open			Accounts Payable	EMERGENCY APPARATUS MAINTENANC	\$2,468.84		
11336	03/26/2024	Open			Accounts Payable	Francis, James	\$100.00		
11337	03/26/2024	Open			Accounts Payable	Further	\$109.70		
11338	03/26/2024	Open			Accounts Payable	Grass, Stephen	\$570.00	\$570.00	\$0.00
11339	03/26/2024	Open			Accounts Payable	INT'L ASSN FIREFIGHTERS 1059	\$277.50		
11340	03/26/2024	Open			Accounts Payable	INT'L ASSN FIREFIGHTERS 724	\$1,635.40	\$1,635.40	\$0.00
11341	03/26/2024	Open			Accounts Payable	JOHNSON/TERRANCE	\$714.73	\$714.73	\$0.00
11342	03/26/2024	Open			Accounts Payable	Napier/ David	\$100.00		
11343	03/26/2024	Open			Accounts Payable	Riverland Laser	\$39.42		
11344	03/26/2024	Open			Accounts Payable	Scuba Center	\$381.00		
11345	03/26/2024	Open			Accounts Payable	SOUTH EAST TOWING	\$165.00		
11346	03/26/2024	Open			Accounts Payable	WIPPERMANN/DENNIS	\$100.00		
11347	04/05/2024	Open			Accounts Payable	INT'L ASSN FIREFIGHTERS 1059	\$277.50		
11348	04/05/2024	Open			Accounts Payable	INT'L ASSN FIREFIGHTERS 724	\$1,635.40		
11349	04/05/2024	Open			Accounts Payable	STANDARD INSURANCE COMPANY	\$1,300.87		
11368	04/10/2024	Open			Accounts Payable	ASPEN MILLS	\$1,489.76		
11369	04/10/2024	Open			Accounts Payable	AT&T MOBILITY	\$1,029.33		
11370	04/10/2024	Open			Accounts Payable	BRANDECKER/WILLIAM	\$160.67		
11371	04/10/2024	Open			Accounts Payable	CDW Government	\$7,222.08		
11372	04/10/2024	Open			Accounts Payable	DAKOTA COUNTY TREASURER	\$1,819.74		
11373	04/10/2024	Open			Accounts Payable	GALLS, LLC	\$531.68		
11374	04/10/2024	Open			Accounts Payable	INVER GROVE FORD	\$517.15		
11375	04/10/2024	Open			Accounts Payable	Jefferson Fire & Safety, Inc	\$454.40		
11376	04/10/2024	Open			Accounts Payable	Kull, Matthew	\$244.99		

# Payment Register

From Payment Date: 3/13/2024 - To Payment Date: 4/11/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
11377	04/10/2024	Open			Accounts Payable	LEAGUE OF MN CITIES INS. TRUST	\$4,060.00		
11378	04/10/2024	Open			Accounts Payable	MacQueen Emergency Group	\$767.96		
11379	04/10/2024	Open			Accounts Payable	NAPA	\$43.98		
11380	04/10/2024	Open			Accounts Payable	NINTH BRAIN	\$118.74		
11381	04/10/2024	Open			Accounts Payable	RED WING SHOE STORE	\$87.97		
11382	04/10/2024	Open			Accounts Payable	Rihm Kenworth	\$323.07		
11383	04/10/2024	Open			Accounts Payable	Rosenbauer Minnesota, LLC	\$656.04		
11384	04/10/2024	Open			Accounts Payable	US Bank Equipment Finance	\$117.00		
11385	04/10/2024	Open			Accounts Payable	Wheeler, Deb	\$278.51		
Type Check Totals:									
1-ANCHOR BAN - ANCHOR BANK Totals							\$58,685.26	\$24,532.40	\$0.00

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	55	\$58,685.26	\$24,532.40
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>55</b>	<b>\$58,685.26</b>	<b>\$24,532.40</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	55	\$58,685.26	\$24,532.40
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>55</b>	<b>\$58,685.26</b>	<b>\$24,532.40</b>

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	55	\$58,685.26	\$24,532.40
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>55</b>	<b>\$58,685.26</b>	<b>\$24,532.40</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	55	\$58,685.26	\$24,532.40
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>55</b>	<b>\$58,685.26</b>	<b>\$24,532.40</b>

# Payment Register

From Payment Date: 3/10/2024 - To Payment Date: 4/10/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
1-ANCHOR BAN - ANCHOR BANK									
EFT									
2812	03/11/2024	Open			Accounts Payable	I C M A RETIREMENT CORP	\$2,290.00	\$2,290.00	\$0.00
2813	03/11/2024	Open			Accounts Payable	IRS - PR TAXES	\$27,007.76	\$27,007.76	\$0.00
2814	03/11/2024	Open			Accounts Payable	MN CHILD SUPPORT	\$355.79	\$355.79	\$0.00
2815	03/11/2024	Open			Accounts Payable	MN DEPT OF REVENUE	\$8,864.39	\$8,864.39	\$0.00
2816	03/11/2024	Open			Accounts Payable	MN II LIFE -- HSA	\$1,074.03	\$1,074.03	\$0.00
2817	03/11/2024	Open			Accounts Payable	MSRS	\$450.00	\$450.00	\$0.00
2818	03/11/2024	Open			Accounts Payable	MSRS - HCSP	\$2,980.46	\$2,980.46	\$0.00
2819	03/11/2024	Open			Accounts Payable	NATIONWIDE	\$2,250.00	\$2,250.00	\$0.00
2820	03/11/2024	Open			Accounts Payable	PUBLIC EMPLOYEES RETIRE ASSN	\$59,762.87	\$59,762.87	\$0.00
2821	03/11/2024	Open			Accounts Payable	HEALTHPARTNERS	\$41,110.44	\$41,110.44	\$0.00
2822	03/11/2024	Open			Accounts Payable	HIGHER STANDARDS	\$38.37	\$38.37	\$0.00
2823	03/11/2024	Open			Accounts Payable	Further	\$833.00	\$833.00	\$0.00
2824	03/11/2024	Open			Accounts Payable	Further	\$800.00	\$800.00	\$0.00
2825	03/26/2024	Open			Accounts Payable	I C M A RETIREMENT CORP	\$2,290.00	\$2,290.00	\$0.00
2826	03/26/2024	Open			Accounts Payable	IRS - PR TAXES	\$25,267.69	\$25,267.69	\$0.00
2827	03/26/2024	Open			Accounts Payable	MN CHILD SUPPORT	\$355.79	\$355.79	\$0.00
2828	03/26/2024	Open			Accounts Payable	MN DEPT OF REVENUE	\$8,229.73	\$8,229.73	\$0.00
2829	03/26/2024	Open			Accounts Payable	MN II LIFE -- HSA	\$1,074.03	\$1,074.03	\$0.00
2830	03/26/2024	Open			Accounts Payable	MSRS	\$450.00	\$450.00	\$0.00
2831	03/26/2024	Open			Accounts Payable	MSRS - HCSP	\$2,827.07	\$2,827.07	\$0.00
2832	03/26/2024	Open			Accounts Payable	NATIONWIDE	\$2,250.00	\$2,250.00	\$0.00
2833	03/26/2024	Open			Accounts Payable	PUBLIC EMPLOYEES RETIRE ASSN	\$56,015.35	\$56,015.35	\$0.00
2834	04/05/2024	Open			Accounts Payable	I C M A RETIREMENT CORP	\$2,290.00	\$2,290.00	\$0.00
2835	04/05/2024	Open			Accounts Payable	IRS - PR TAXES	\$25,926.85	\$25,926.85	\$0.00
2836	04/05/2024	Open			Accounts Payable	MN DEPT OF REVENUE	\$8,474.91	\$8,474.91	\$0.00
2837	04/05/2024	Open			Accounts Payable	MSRS	\$450.00	\$450.00	\$0.00
2838	04/05/2024	Open			Accounts Payable	MSRS - HCSP	\$2,900.04	\$2,900.04	\$0.00
2839	04/05/2024	Open			Accounts Payable	NATIONWIDE	\$2,250.00	\$2,250.00	\$0.00
2840	04/05/2024	Open			Accounts Payable	PUBLIC EMPLOYEES RETIRE ASSN	\$57,203.26	\$57,203.26	\$0.00
2841	04/05/2024	Open			Accounts Payable	MN CHILD SUPPORT	\$355.79	\$355.79	\$0.00



# Payment Register

From Payment Date: 3/10/2024 - To Payment Date: 4/10/2024

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
2842	04/05/2024	Open			Accounts Payable	MN II LIFE -- HSA	\$1,074.03		
Type EFT Totals:							\$347,501.65	\$246,576.77	\$0.00
1-ANCHOR BAN - ANCHOR BANK Totals									

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	31	\$347,501.65	\$246,576.77
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	<b>Total</b>	<b>31</b>	<b>\$347,501.65</b>	<b>\$246,576.77</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	31	\$347,501.65	\$246,576.77
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>31</b>	<b>\$347,501.65</b>	<b>\$246,576.77</b>

Grand Totals:

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	31	\$347,501.65	\$246,576.77
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	<b>Total</b>	<b>31</b>	<b>\$347,501.65</b>	<b>\$246,576.77</b>

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	31	\$347,501.65	\$246,576.77
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	<b>Total</b>	<b>31</b>	<b>\$347,501.65</b>	<b>\$246,576.77</b>



Account Classification	Adopted Budget	Current Month Transactions	YTD Transactions	YTD Balance	% used/ Rec'd	Prior Year YTD Balance
<b>Fund 101 - General Fund</b>						
<b>REVENUE</b>						
Taxes	1,938,696.00	.00	79,228.52	1,859,467.48	4%	1,152,460.68
Intergovernmental Revenues	243,666.00	17,817.50	59,724.25	183,941.75	25%	280,638.97
Charges for Services	6,039,822.00	724,849.11	2,174,157.72	3,865,664.28	36%	3,882,052.00
Other Revenue	50,000.00	13,249.34	17,394.34	32,605.66	35%	34,831.90
Other Financing Sources	.00	.00	.00	.00	+++	.00
<b>REVENUE TOTALS</b>	<b>\$8,272,184.00</b>	<b>\$755,915.95</b>	<b>\$2,330,504.83</b>	<b>\$5,941,679.17</b>	<b>28%</b>	<b>\$5,349,983.55</b>
<b>EXPENSE</b>						
Personal Services	7,332,449.00	508,788.29	1,819,224.07	5,513,224.93	25%	5,058,660.50
Supplies	232,677.00	8,187.62	31,402.86	201,274.14	13%	151,835.46
Contractual Services	446,114.00	36,167.09	110,128.70	335,985.30	25%	305,322.01
Other Charges	260,944.00	10,287.19	85,834.74	175,109.26	33%	111,668.22
Capital Outlay	.00	.00	.00	.00	+++	.00
Debt Service	.00	.00	.00	.00	+++	.00
Other Financing Uses	.00	130,712.00	130,712.00	(130,712.00)	+++	.00
<b>EXPENSE TOTALS</b>	<b>\$8,272,184.00</b>	<b>694,142.19</b>	<b>2,177,302.37</b>	<b>\$6,094,881.63</b>	<b>26%</b>	<b>\$5,627,486.19</b>
<b>Fund 101 - General Fund Totals</b>						
<b>REVENUE TOTALS</b>	<b>8,272,184.00</b>	<b>755,915.95</b>	<b>2,330,504.83</b>	<b>5,941,679.17</b>	<b>28%</b>	<b>5,349,983.55</b>
<b>EXPENSE TOTALS</b>	<b>8,272,184.00</b>	<b>694,142.19</b>	<b>2,177,302.37</b>	<b>6,094,881.63</b>	<b>26%</b>	<b>5,627,486.19</b>
<b>Fund 101 - General Fund Totals</b>	<b>\$0.00</b>	<b>\$61,773.76</b>	<b>\$153,202.46</b>	<b>(\$153,202.46)</b>		<b>(\$277,502.64)</b>
<b>Fund 201 - Grant Fund</b>						
<b>REVENUE</b>						
Intergovernmental Revenues	.00	.00	.00	.00	0%	.00
<b>REVENUE TOTALS</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>+++</b>	<b>\$0.00</b>
<b>EXPENSE</b>						
Contractual Services	.00	.00	.00	.00	+++	.00
<b>EXPENSE TOTALS</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>+++</b>	<b>\$0.00</b>
<b>Fund 301 - Debt Service</b>						
<b>REVENUE</b>						
Intergovernmental Revenues	186,650.00	.00	(45,612.50)	232,262.50	-24%	182,450.00
<b>REVENUE TOTALS</b>	<b>\$186,650.00</b>	<b>.00</b>	<b>(45,612.50)</b>	<b>\$232,262.50</b>	<b>+++</b>	<b>\$182,450.00</b>
<b>EXPENSE</b>						
Contractual Services	186,650.00	.00	.00	186,650.00	+++	182,450.00
<b>EXPENSE TOTALS</b>	<b>\$186,650.00</b>	<b>.00</b>	<b>.00</b>	<b>\$186,650.00</b>	<b>+++</b>	<b>\$182,450.00</b>
<b>Fund 301 - Debt Totals</b>						
<b>REVENUE TOTALS</b>	<b>186,650.00</b>	<b>.00</b>	<b>(45,612.00)</b>	<b>232,262.00</b>	<b>+++</b>	<b>182,450.00</b>
<b>EXPENSE TOTALS</b>	<b>186,650.00</b>	<b>.00</b>	<b>.00</b>	<b>186,650.00</b>	<b>+++</b>	<b>182,450.00</b>
<b>Fund 301 - Debt Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$45,612.00)</b>	<b>\$45,612.00</b>		<b>\$0.00</b>
<b>Fund 401 - Capital Projects</b>						
<b>REVENUE</b>						
Intergovernmental Revenues	.00	.00	.00	.00	0%	.00
Charges for Services	224,684.00	28,085.38	84,256.14	140,427.86	37%	117,022.50
Other Revenue	.00	.00	.00	.00	+++	.00
Other Financing Sources	.00	130,712.00	130,712.00	.00	+++	.00
<b>REVENUE TOTALS</b>	<b>\$224,684.00</b>	<b>\$158,797.38</b>	<b>\$214,968.14</b>	<b>\$140,427.86</b>		<b>\$117,022.50</b>
<b>EXPENSE</b>						
Motor Vehicles	367,000.00	2,602.19	2,602.19	364,397.81	1%	(1,296,042.49)
Office Equipment	77,302.00	1,202.09	11,737.72	65,564.28	15%	65,041.71
Other Equipment	208,700.00	153,419.86	158,506.16	50,193.84	76%	106,395.54
<b>EXPENSE TOTALS</b>	<b>\$653,002.00</b>	<b>\$157,224.14</b>	<b>\$172,846.07</b>	<b>\$480,155.93</b>	<b>26%</b>	<b>(\$1,124,605.24)</b>
<b>Fund 401 - Capital Projects</b>						
<b>REVENUE TOTALS</b>	<b>224,684.00</b>	<b>158,797.38</b>	<b>214,968.14</b>	<b>9,715.86</b>	<b>96%</b>	<b>117,022.50</b>
<b>EXPENSE TOTALS</b>	<b>653,002.00</b>	<b>157,224.14</b>	<b>172,846.07</b>	<b>480,155.93</b>	<b>26%</b>	<b>(1,124,605.24)</b>
<b>Fund 401 - Capital Projects</b>	<b>(\$428,318.00)</b>	<b>\$1,573.24</b>	<b>\$42,122.07</b>	<b>(\$470,440.07)</b>		<b>\$1,241,627.74</b>
<b>Grand Totals</b>						
<b>REVENUE TOTALS</b>	<b>8,683,518.00</b>	<b>914,713.33</b>	<b>2,499,860.47</b>	<b>6,183,657.53</b>	<b>29%</b>	<b>5,649,456.05</b>
<b>EXPENSE TOTALS</b>	<b>9,111,836.00</b>	<b>851,366.33</b>	<b>2,350,148.44</b>	<b>6,761,687.56</b>	<b>26%</b>	<b>4,685,330.95</b>
<b>Grand Totals</b>	<b>(\$428,318.00)</b>	<b>\$63,347.00</b>	<b>\$149,712.03</b>	<b>(\$578,030.03)</b>		<b>\$964,125.10</b>



# 2024 Run Summary

South Metro Fire Department

	January	February	March	April	May	June	July	August	September	October	November	December	YTD TOTAL	2023 YTD TOTAL
<b>FIRE INCIDENTS</b>														
111 Building fire	2	3	5										10	3
112 Fire in structure other than in a building													0	
113 Cooking fire, confined to container	1	1	2										4	
114 Chimney fire													0	
116 Fuel													0	
118 Trash	1												1	1
121 Fire in mobile home used as fixed residence													0	
130 Mobile property (vehicle) fire, other													0	
131 Passenger vehicle fire	1		1										2	
132 Road Freight or transport vehicle fire													0	
133 Rail vehicle fire													0	
134 Water vehicle fire													0	1
135 Aircraft Fire													0	
138 Off-road vehicle or heavy equipment fire													0	
142 Brush or bursh & grass mixture fire		1	3										4	
143 Grass Fire													0	
151 Outside rubbish fire		1	3										4	
154 Dumpster fire		1											1	
163 Outside equipment fire			1										1	
	5	7	15	0	0	0	0	0	0	0	0	0	27	5
<b>OVERPRESSURE RUPTURE, EXPLOSION, OVERHEAT (NO FIRE)</b>														
200 Overpressure rupture, explosion, overheat other													0	
243 Fireworks explosion (no fire)													0	
251 Excessive heat, scorch burns with no ignition	6	4	4	0	0	0	0	0	0	0	0	0	14	21
	6	4	4	0	0	0	0	0	0	0	0	0	14	21
<b>RESCUE &amp; EMERGENCY MEDICAL SERVICE</b>														
311 Medical assist, assist EMS crew		1											1	
321 EMS call, excluding vehicle accident with injury	525	452	487										1464	1375
322 Motor vehicle accident with injuries	3	6	7										16	25
323 Motor vehicle/pedestrian accident (MV Ped)	3												3	
324 Motor vehicle accident with no injuries.	3	2	2										7	8
341 Search for person on land													0	
350 Extrication, rescue, other													0	1
352 Extrication of victims from vehicle													0	
353 Removal of victim(s) from stalled elevator	1		1										2	4
355 Confined Space Rescue													0	
357 Extrication of victim(s) from machinery													0	
360 Water & ice related rescue, other		1											1	
361 Swimming/recreational water areas rescue													0	
362 Ice Rescue													0	
365 Watercraft rescue			1										1	
372 Trapped by power lines0													0	
381 Rescue or EMS standby													0	
	535	462	498	0	0	0	0	0	0	0	0	0	1495	1413
<b>HAZARDOUS CONDITION (NO FIRE)</b>														
400 Hazardous condition, other													0	
411 Gasoline or other flammable liquid spill													0	1
412 Gas leak (natural gas or LPG)	2	1	2										5	6
413 Oil spill													1	1
421 Chemical hazard (no spill or leak)													0	1
422 Chemical spill or leak													0	
424 Carbon monoxide incident	2	1	1										4	5
440 Electrical equipment problem		1	1										2	2
442 Overheated motor		1	1											
444 Power line down	2												2	10
445 Arch, shorted electrical equipment	1	1	1										3	3
460 Potential accident													0	1
461 Building or structure weakened or collapsed													0	
462 Aircraft standby													0	
463 Vehicle accident, cleanup		1											1	1
471 Explosive, bomb removal													0	
481 Attempt to burn													0	
	7	6	6	0	0	0	0	0	0	0	0	0	19	31
<b>SERVICE CALL</b>														
500 Service Call, other		1											1	
510 Person in distress, other													0	3
519 Person in distress													0	
520 Water problem, other													0	
522 Water or steam leak	1	1											2	1
531 Smoke or odor removal	1												1	3
551 Assist police or other governmental agency	10	17	14										41	12
553 Public service	3	2	1										6	18
554 Assist invalid	41	41	68										150	118
561 Unauthorized burning	1	1	9										11	
	57	63	92	0	0	0	0	0	0	0	0	0	212	155



# 2024 Run Summary

South Metro Fire Department

	January	February	March	April	May	June	July	August	September	October	November	December	YTD TOTAL	2023 YTD TOTAL
<b>GOOD INTENT CALL</b>														
600 Good intent call, other	3		3										6	4
611 Dispatched & canceled en route	10	7	12										29	29
621 Wrong location													0	
622 No incident found on arrival at dispatch address	6	8	8										22	22
631 Authorized controlled burning	2	2	2										6	1
650 Steam, gas, other mistaken for smoke													0	
651 Smoke scare, odor of smoke		2	4										6	18
652 Steam, vapor, fog or dust thought to be smoke	3												3	1
653 Smoke from barbeque, tar kettle													0	
661 EMS call, party transported by non-fire agency (661)													0	
671 HazMat release investigation w/no HazMat	2	3	6										11	10
	26	22	35	0	0	0	0	0	0	0	0	0	83	85
<b>FALSE ALARM &amp; FALSE CALL</b>														
700 False alarm or false call, other	1												1	1
710 Malicious false call		2											2	2
714 Central Station, malicious false alarm			1										1	2
715 Local alarm system, malicious false call	1												1	10
721 Bomb scare - no bomb													0	
730 System malfunction, other													0	
731 Sprinkler activation due to malfunction	4		3										7	1
732 Extinguishment system activation malfunction													0	
733 Smoke detector activation due to malfunction	3	3	1										7	2
735 Alarm system sounded due to malfunction	8	5	4										17	13
736 CO detector activation due to malfunction	5	3	1										9	3
740 Unintentional transmission of alarm, other													0	
741 Sprinkler activation, no fire - unintentional			1										1	2
743 Smoke detector activation, unintentional	8	1	3										12	8
744 Detector activation, no fire - unintentional		1	1										2	
745 Alarm system activation, no fire - unintentional	1	4											5	10
7451 False Alarm	8	8	7										23	24
746 Carbon monoxide detector activation, no CO	2	2	4										8	4
	41	29	26	0	0	0	0	0	0	0	0	0	96	82
<b>SEVERE WEATHER &amp; NATURAL DISASTER</b>														
814 Lightning strike (no fire)													0	1
	0	0	0	0	0	0	0	0	0	0	0	0	0	1
<b>SPECIAL INCIDENT TYPE</b>														
900 Special type of incident, other													0	
911 Citizen Complaint													0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Reported	1	36											37	
	1	36	0	0	0	0	0	0	0	0	0	0	37	0
<b>MONTHLY RUN TOTAL</b>														
	678	629	676	0	0	0	0	0	0	0	0	0	1983	1797
<b>BLS Transports</b>														
	168	169	188										525	459



*Lighting the path forward*

# South Metro Fire Department

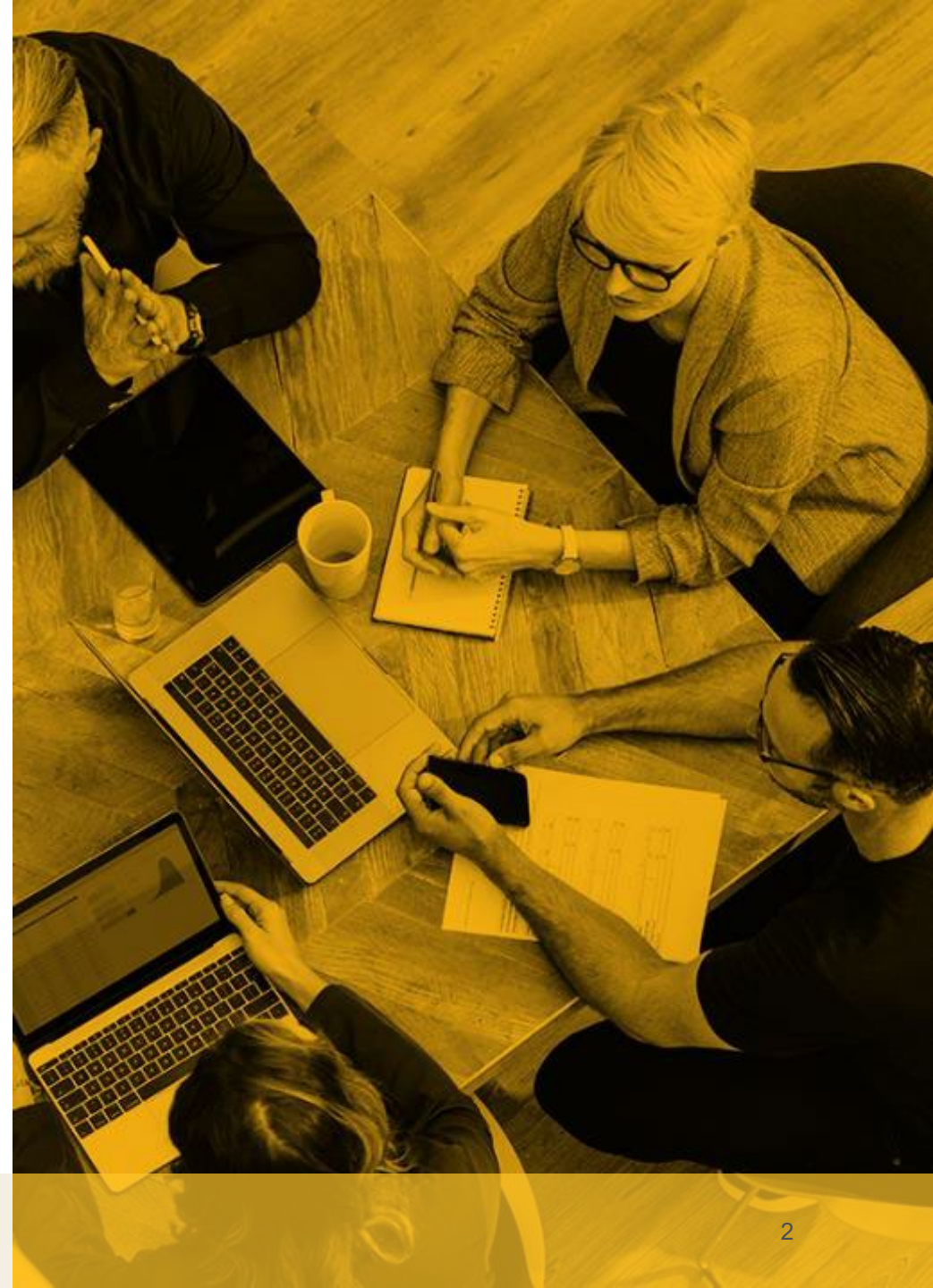
2023 Financial Statement Audit



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# Introduction

- Audit Results
- General Fund
- Other Governmental Funds



# Audit Results

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## Auditor's Opinion



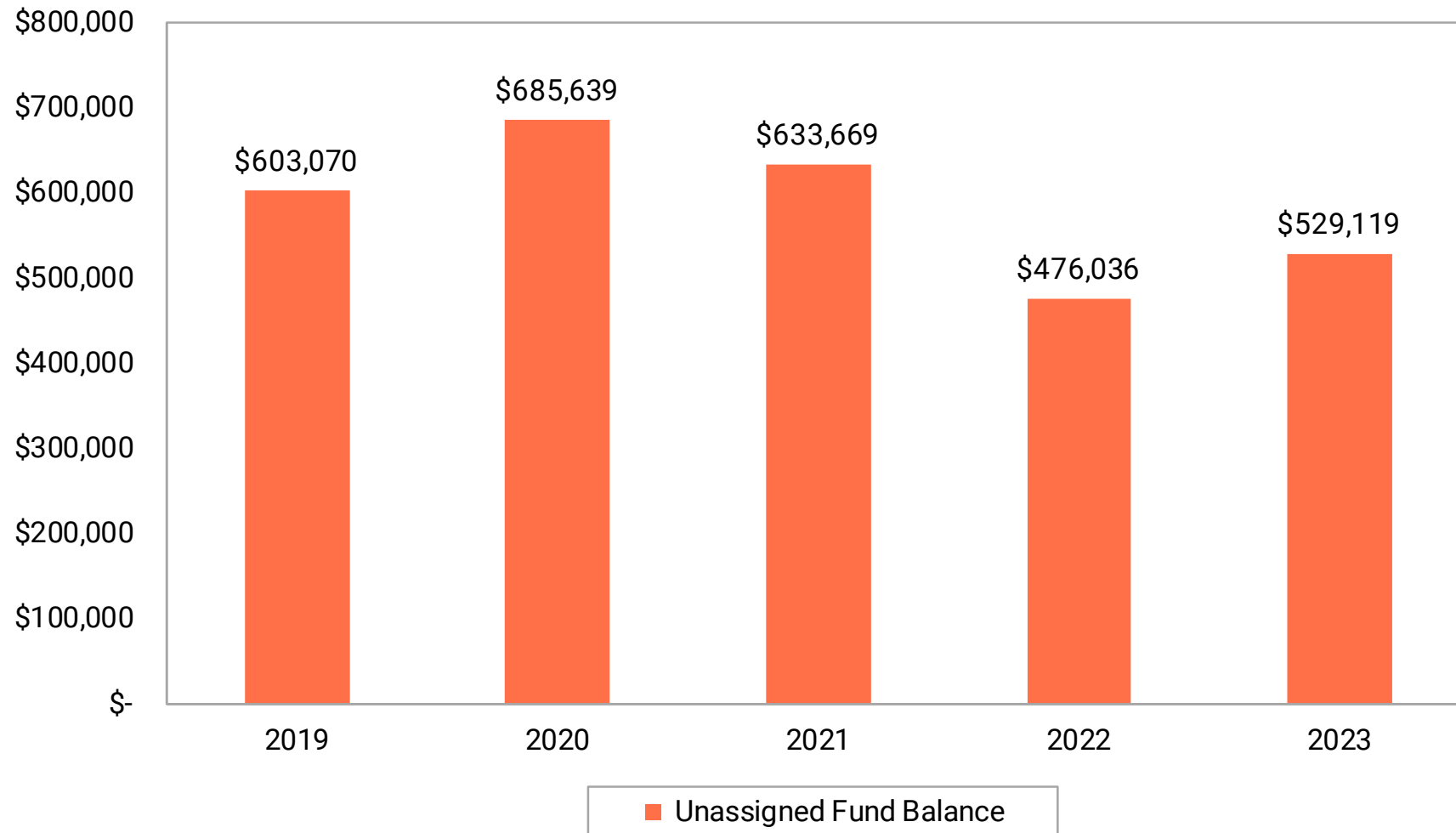
Unmodified opinion  
under GAAS

## Minnesota Legal Compliance



No instances of  
Noncompliance

# General Fund – Fund Balances

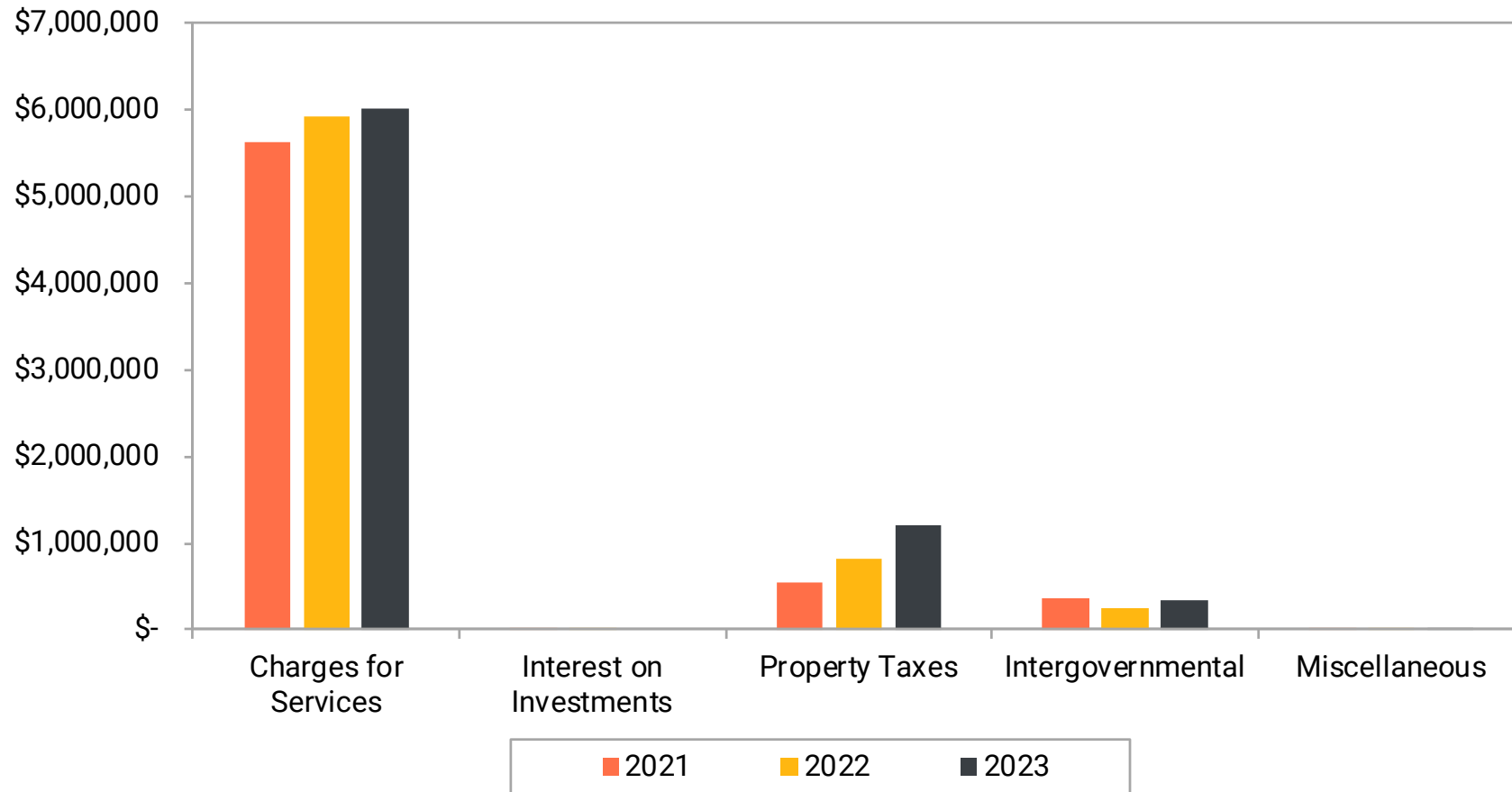




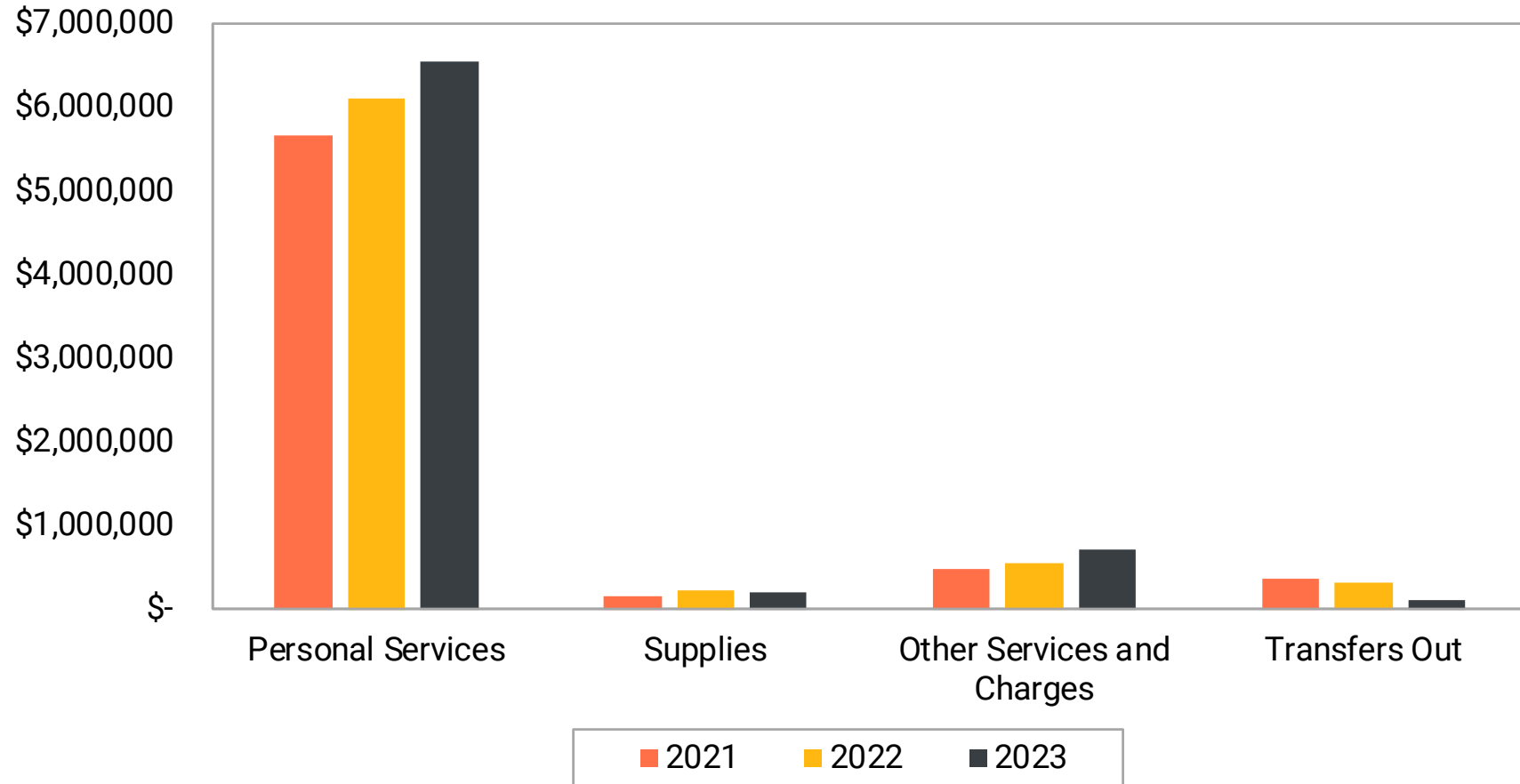
# General Fund Budget to Actual

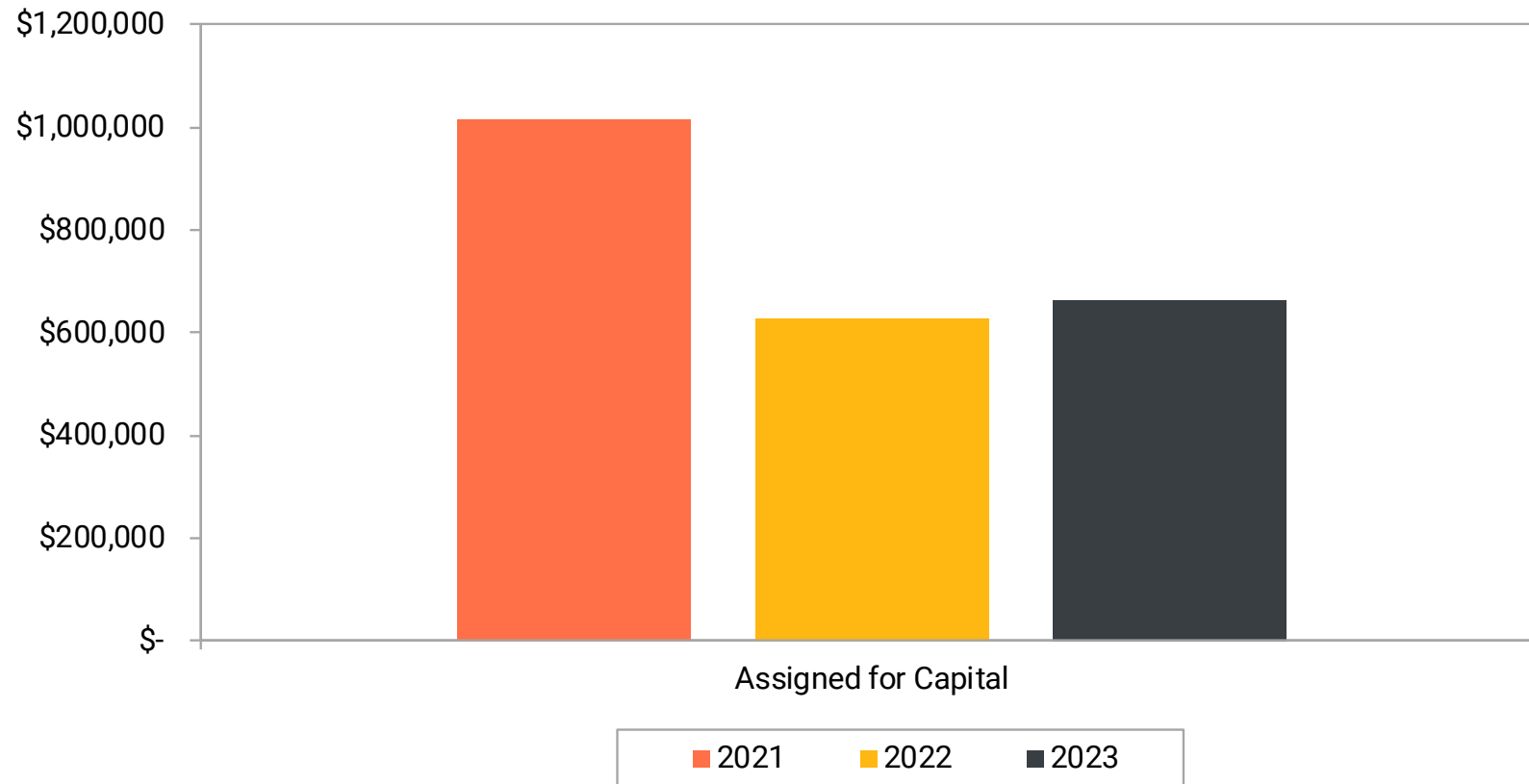
	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues	\$ 7,551,902	\$ 7,599,393	\$ 47,491
Expenditures	<u>7,551,902</u>	<u>7,445,409</u>	<u>106,493</u>
Excess of Revenues Over Expenditures	-	153,984	153,984
Other Financing Uses Transfers out	<u>-</u>	<u>(100,901)</u>	<u>(100,901)</u>
Change in Fund Balances	-	53,083	53,083
Fund Balances, January 1	<u>491,238</u>	<u>491,238</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 491,238</u></u>	<u><u>\$ 544,321</u></u>	<u><u>\$ 53,083</u></u>

# General Fund Revenues by Type



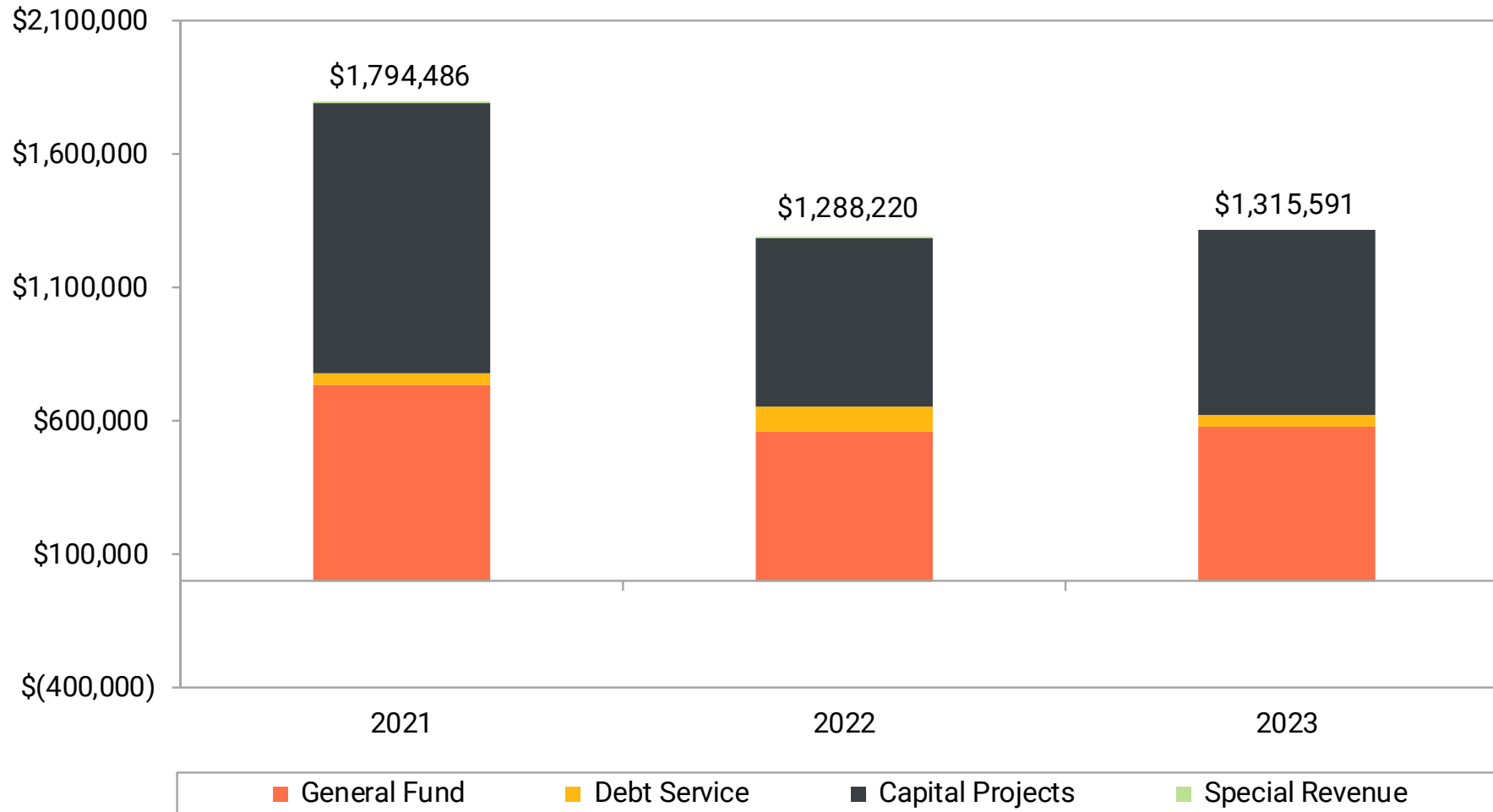
# General Fund Expenditures by Type





# Capital Project Fund Balance

# Cash Balances by Type



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# Your Abdo Team



Brad Falteysek, CPA  
Partner

---

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Bonnie Schwieger, CPA  
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---

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Adam Owens  
Associate

---

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# Executive Governance Summary

## South Metro Fire Department

West St. Paul, Minnesota

For the year ended December 31, 2023



### *Edina Office*

5201 Eden Avenue, Ste 250  
Edina, MN 55436  
P 952.835.9090

### *Mankato Office*

100 Warren Street, Ste 600  
Mankato, MN 56001  
P 507.625.2727

### *Scottsdale Office*

14500 N Northsight Blvd, Ste 233  
Scottsdale, AZ 85260  
P 480.864.5579

April 12, 2024

Management and Board of Directors  
South Metro Fire Department  
West St. Paul, Minnesota

We have audited the financial of the South Metro Fire Department (the Department), West St. Paul, Minnesota for the year ended December 31, 2023 and have issued our report thereon dated April 12, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Department. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Significant Audit Findings**

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

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of Minnesota statutes, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination of the Department's compliance with those requirements. The results of our tests disclosed no instances of noncompliance that are required to be reported under Minnesota statutes.

## Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2023. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation on capital assets, the liability for other postemployment benefits, and the liability for the Department's pensions.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

## Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

## Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.



## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 12, 2024.

## **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Department's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions and the Schedule of Changes in the Department's OPEB Liability and related ratios), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (individual fund schedule), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.



## Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future Department financial statements:

**GASB Statement No. 100** - *Accounting Changes and Error Corrections* Effective: 12/31/2024

**GASB Statement No. 101** - *Compensated Absences* Effective: 12/31/2024

**GASB Statement No. 102** - *Certain Risk Disclosures* Effective: 12/31/2025

Further information on upcoming [GASB pronouncements](#).

\* \* \* \* \*

## Restriction on Use

This communication is intended solely for the information and use of management, the Board of Directors, the Minnesota Office of the State Auditor and others within the Department and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service, and for the courtesy and cooperation extended to us by your staff.



**Abdo**  
Minneapolis, Minnesota  
April 12, 2024





# Annual Financial Report

## South Metro Fire Department

West St. Paul, Minnesota

For the year ended December 31, 2023



### *Edina Office*

5201 Eden Avenue, Ste 250  
Edina, MN 55436  
P 952.835.9090

### *Mankato Office*

100 Warren Street, Ste 600  
Mankato, MN 56001  
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### *Scottsdale Office*

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Scottsdale, AZ 85260  
P 480.864.5579

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South Metro Fire Department  
West St. Paul, Minnesota  
Annual Financial Report  
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For the Year Ended December 31, 2023

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INTRODUCTORY SECTION  
SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023



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South Metro Fire Department  
 West St. Paul, Minnesota  
 Organization  
 For the Year Ended December 31, 2023

**BOARD OF DIRECTORS**

Name	City	Title	Term Expires
James Francis	South St. Paul	President	12/31/2023
Dave Napier	West St. Paul	Vice-President	12/31/2023
Tom Seaberg	South St. Paul	Secretary	12/31/2023
Wendy Berry	West St. Paul	Treasurer	12/31/2023
Dennis Wippermann	South St. Paul	Public Member	3/31/2024

**APPOINTED**

Name	Title
Mark Juelfs	Fire Chief
Mark Erickson	Chief of Operations
Terry Johnson	Fire Marshal

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FINANCIAL SECTION  
SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
South Metro Fire Department  
West St. Paul, Minnesota

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the South Metro Fire Department (the Department), West St. Paul, Minnesota, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Department'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 financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Department as of December 31, 2023 and the respective changes in financial position and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Department'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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and, 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 Department'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 Department'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 starting on page 15 and the Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions, the related note disclosures, and the Schedule of changes in the Department's OPEB Liability and related ratios starting on page 56 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 Department's basic financial statements. The individual fund financial schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 individual fund financial schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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



**Abdo**  
Minneapolis, Minnesota  
April 12, 2024





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## **Management's Discussion and Analysis**

As management of the South Metro Fire Department (the Department), West St. Paul, Minnesota, we offer readers of the Department's financial statements this narrative overview and analysis of the financial activities of the Department for the fiscal year ended December 31, 2023.

### **Financial Highlights**

- The liabilities and deferred inflows of resources of the Department exceeded its assets and deferred outflows or 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 Department's ongoing obligations to citizens and creditors.
- The Department's total net position increased as shown in the summary of changes in net assets table on the following pages. This increase is primarily due to an increase in the tax levy.
- For the current fiscal year, the Department's governmental funds fund balances are shown in the Financial Analysis of the Department's Funds section of the MD&A. The total fund balance decreased in comparison with the prior year. This decrease was mainly due to expenses incurred from the fire truck purchase project that began in 2023. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the Department's discretion.
- The unassigned fund balance in the General fund as shown in the financial analysis of the Department's funds section increased from prior year primarily due to an increase in the property tax levy.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Department's basic financial statements. The Department'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 that further explain and support 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 that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**Figure 1**  
**Required Components of the**  
**Department's Annual Financial Report**

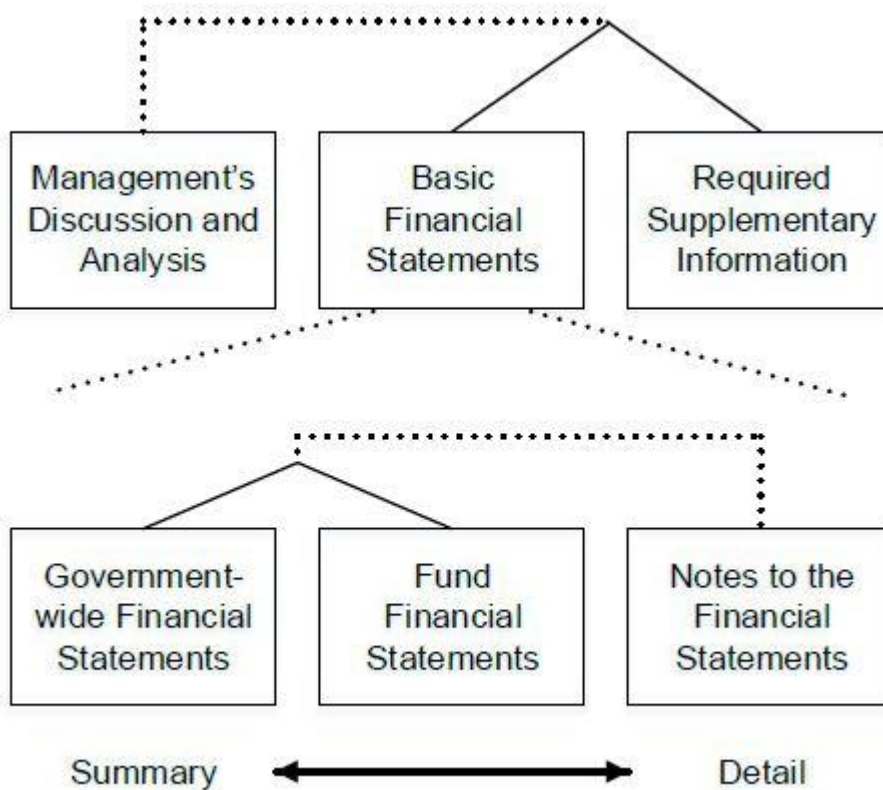


Figure 2 summarizes the major features of the Department’s financial statements, including the portion of the Department they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of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

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

	<b>Fund Financial Statements</b>	
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>
Scope	Entire Department (except fiduciary funds) and the Department’s component units	The activities of the Department that are not proprietary or fiduciary, such as fire and ambulance
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
Type of inflows/outflows 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

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

The *statement of net position* presents information on all of the Department’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 Department is improving or deteriorating.

The *statement of activities* presents information showing how the Department’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 the 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 period (e.g., earned but unused vacation leave).

The government-wide financial statements start on page 26 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 Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 of the Department's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Department maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for the General, Debt and Capital Projects funds, which are considered major funds.

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

The fund financial statements start on page 30 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 35 of this report.

**Required Supplementary Information.** In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the South Metro Fire Department's share of net pension liabilities for defined benefit plans, schedules of contribution, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 56 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. The individual fund schedule starts on page 67 of this report.

### **Government-wide Financial Analysis**

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

The largest portion of the Department's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Department uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Department'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.

## South Metro Fire Department's Statement of Net Position

	Governmental Activities		
	2023	2022	Increase (Decrease)
Assets			
Current	\$ 2,185,104	\$ 2,795,507	\$ (610,403)
Capital assets, net of accumulated depreciation	2,952,671	2,447,131	505,540
Total Assets	5,137,775	5,242,638	(104,863)
Deferred Outflows of Resources	9,247,371	10,631,367	(1,383,996)
Liabilities			
Other liabilities	247,479	272,774	(25,295)
Long-term liabilities outstanding	7,708,504	16,715,709	(9,007,205)
Total Liabilities	7,955,983	16,988,483	(9,032,500)
Deferred Inflows of Resources	8,756,170	192,642	8,563,528
Net Position			
Net investment in capital assets	2,122,671	2,827,101	(704,430)
Restricted	15,202	16,101	(899)
Unrestricted	(4,464,880)	(4,150,322)	(314,558)
Total Net Position	\$ (2,327,007)	\$ (1,307,120)	\$ (1,019,887)
Net Position as a Percent of Total			
Net investment in capital assets	(91.2) %	(216.3) %	
Restricted	(0.7)	(1.2)	
Unrestricted	191.9	317.5	
Total	100.0	100.0	

At the end of the current fiscal year, the Department is reporting a deficit balance in unrestricted net position due to the net pension liability related to the PERA defined contribution benefit plan. The large change in long-term liabilities was due to a significant increase in the Department's pension liability.

**Governmental Activities.** Governmental activities increased the Department’s net position, as shown below. Key elements of this increase are as follows:

### South Metro Fire Department’s Change in Net Position

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ 6,215,373	\$ 6,110,570	\$ 104,803
Operating grants and contributions	357,953	255,087	102,866
Capital grants and contributions	187,236	806,032	(618,796)
General revenues			
Property taxes	1,209,556	823,712	385,844
Gain on sale of capital assets	16,879	157,514	(140,635)
Unrestricted investment earnings	-	108	(108)
Total Revenues	7,986,997	8,153,023	(166,026)
Expenses			
Public safety	8,969,434	7,860,283	1,109,151
Interest on long-term debt	37,450	43,050	(5,600)
Total Expenses	9,006,884	7,903,333	1,103,551
Change in Net Position	(1,019,887)	249,690	(1,269,577)
Net Position, January 1	(1,307,120)	(1,556,810)	249,690
Net Position, December 31	\$ (2,327,007)	\$ (1,307,120)	\$ (1,019,887)

- Total governmental revenues decreased during the year due to an operating grant to fund the Fire Truck purchase project in the previous fiscal year.
- Public safety expenses increased primarily due to the recognition of pension expense.

## Financial Analysis of the Department's Funds

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

**Governmental Funds.** The focus of the Department's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Department's financing requirements. In particular, *unrestricted 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 General fund is the chief operating fund of the Department. The Capital Projects fund accounts for the resources used for acquiring capital assets. The table below outlines the governmental fund balances for the year ending December 31, 2023.

	General Fund	Capital Projects	Total	Prior Year Total	Increase/ Decrease
Fund Balances					
Nonspendable	\$ -	\$ 677,485	\$ 677,485	\$ 1,354,970	\$ (677,485)
Restricted for					
Training	15,202	-	15,202	15,202	-
Grants	-	-	-	899	(899)
Assigned for					
Capital projects	-	661,582	661,582	627,482	34,100
Unassigned	529,119	-	529,119	475,911	53,208
Total	<u>\$ 544,321</u>	<u>\$ 1,339,067</u>	<u>\$ 1,883,388</u>	<u>\$ 2,474,464</u>	<u>\$ (591,076)</u>

As of the close of the current fiscal year, the Department's governmental funds reported combined ending fund balances shown above. Additional information on the Department's fund balances can be found in Note 1 starting on page 35 of this report.

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

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balance			
Restricted for			
Training	\$ 15,202	\$ 15,202	\$ -
Unassigned	529,119	476,036	53,083
Total	<u>\$ 544,321</u>	<u>\$ 491,238</u>	<u>\$ 53,083</u>
General Fund expenditures	7,445,409	6,862,219	
Unassigned as a percent of expenditures	7.1 %	6.9 %	
Total Fund Balances as a percent of expenditures	7.3	7.2	

The fund balance of the Department's General Fund increased during the current fiscal year as shown in the table above. The increase in fund balance was due to an increase in the tax levy.



Other major governmental fund analysis is shown below:

	December 31, 2023	December 31, 2022	Increase (Decrease)
Debt Service	\$ -	(125)	125
<i>The Debt Service fund increase in fund balance during the year was due to a transfer in from the General Fund.</i>			
Capital Projects Funds	\$ 1,339,067	1,982,452	(643,385)
<i>The Capital Projects fund decrease in fund balance during the year was due to the purchase of a fire truck.</i>			

### 2023 General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 7,502,692	\$ 49,210	\$ 7,551,902	\$ 7,599,393	\$ 47,491
Expenditures	7,502,692	49,210	7,551,902	7,445,409	106,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	153,984	153,984
Other Financing Uses Transfers out	-	-	-	(100,901)	(100,901)
Net Change in Fund Balance	-	-	-	53,083	53,083
Fund Balance, January 1	491,238	-	491,238	491,238	-
Fund Balance, December 31	<u>\$ 491,238</u>	<u>\$ -</u>	<u>\$ 491,238</u>	<u>\$ 544,321</u>	<u>\$ 53,083</u>

The Department's General fund budget was amended during the year as shown above. The budget amendment increased revenues for charges for services and donations and increased expenses for capital outlay and contractual services. Actual revenues were over the final budget and expenditures were under the final budget amounts as shown above.

### 2023 Capital Projects Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 187,236	\$ -	\$ 187,236	\$ 187,236	\$ -
Expenditures	293,940	9,200	303,140	932,296	(629,156)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,704)	(9,200)	(115,904)	(745,060)	(629,156)
Other Financing Sources Transfers in	-	-	-	101,675	101,675
Net Change in Fund Balance	(106,704)	(9,200)	(115,904)	(643,385)	(527,481)
Fund Balance, January 1	1,982,452	-	1,982,452	1,982,452	-
Fund Balance, December 31	<u>\$ 1,875,748</u>	<u>\$ (9,200)</u>	<u>\$ 1,866,548</u>	<u>\$ 1,339,067</u>	<u>\$ (527,481)</u>

The Department's Capital projects fund budget was amended during the year as shown above. The budget amendment increased expenses for capital outlay. Actual expenditures were over the final budget amounts as shown above.

### Capital Asset and Debt Administration

**Capital Assets.** The Department's investment in capital assets for its governmental activities as of December 31, 2023, is shown below in the capital asset table (net of accumulated depreciation). This investment in capital assets includes machinery, equipment, and vehicles. The total increase in the Department's investment in capital assets for the current fiscal year for governmental activities is due to the additions to the Fire Truck construction project.

Major capital asset events during the current fiscal year were as follows:

- Fire Truck purchase project began
- Purchase of 2023 Suburban
- Purchase of three Motorola Radios

	Governmental Activities		Increase (Decrease)
	2023	2022	
Construction in process	\$ 677,485	\$ -	677,485
Machinery and Equipment	787,703	837,902	(50,199)
Vehicles	1,487,483	1,609,229	(121,746)
Total	<u>\$ 2,952,671</u>	<u>\$ 2,447,131</u>	<u>\$ 505,540</u>

**Long-term Liabilities.** At the end of the current fiscal year, the Department had a financed purchase agreement outstanding in the amount shown in the table below.

	Governmental Activities		Increase (Decrease)
	2023	2022	
Financed Purchase Agreement	<u>\$ 830,000</u>	<u>\$ 975,000</u>	<u>\$ (145,000)</u>

Additional information on the Department's long-term liabilities can be found in Note 3D on page 42 of this report.

### Economic Factors and Future Budget Plans

- The financial position of the South Metro Fire Department has improved to the point where the General fund reserves have exceeded the 5 percent maximum limit designated by the Board. By policy this excess fund balance will be transferred to the Capital fund during 2023.
- The Capital fund is improving and based upon current projections SMFD has discussed with both South St Paul and West St Paul about funding the next ladder truck with current cash in the capital fund with additional funding from each in the amount of \$325,000. This will eliminate the need for debt for the ladder truck acquisition in 2023.

All of these factors need to be considered in preparing future budgets.

### Requests for Information

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Mark Juelfs, South Metro Fire Department, 1650 Humboldt Ave, West St Paul, MN 55118.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

South Metro Fire Department  
West St. Paul, Minnesota  
Statement of Net Position  
December 31, 2023

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and temporary investments	\$ 1,315,591
Accounts receivable	67,725
Taxes receivable	82,396
Prepaid items	677,485
Due from other governments	41,907
<b>Capital assets</b>	
Construction in process	677,485
Depreciable, net of accumulated depreciation	<u>2,275,186</u>
<b>Total Assets</b>	<u><b>5,137,775</b></u>
<b>Deferred Outflows of Resources</b>	
Deferred pension resources	9,163,945
Deferred other post employment benefits	<u>83,426</u>
<b>Total Deferred Outflows of Resources</b>	<u><b>9,247,371</b></u>
<b>Liabilities</b>	
Accounts payable	41,063
Accrued salaries payable	118,812
Due to other governments	87,604
<b>Noncurrent liabilities</b>	
Due within one year	
Financed purchase obligation	155,000
Compensated absences	199,469
Due in more than one year	
Financed purchase obligation	675,000
Net pension liability	6,113,779
Other postemployment benefits payable	<u>565,256</u>
<b>Total Liabilities</b>	<u><b>7,955,983</b></u>
<b>Deferred Inflows of Resources</b>	
Deferred pension resources	<u>8,756,170</u>
<b>Net Position</b>	
Net investment in capital assets	2,122,671
Restricted for	
Training	15,202
Unrestricted	<u>(4,464,880)</u>
<b>Total Net Position</b>	<u><b>\$ (2,327,007)</b></u>

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

South Metro Fire Department  
West St. Paul, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities					
Public safety	\$ 8,969,434	\$ 6,215,373	\$ 357,953	\$ 187,236	\$ (2,208,872)
Interest on long-term debt	37,450	-	-	-	(37,450)
Total Governmental Activities	\$ 9,006,884	\$ 6,215,373	\$ 357,953	\$ 187,236	\$ (2,246,322)
General Revenues					
Property taxes					1,209,556
Grants and contributions not restricted to specific programs					16,879
Total General Revenues					1,226,435
Change in Net Position					(1,019,887)
Net Position, January 1					(1,307,120)
Net Position, December 31					\$ (2,327,007)

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

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FUND FINANCIAL STATEMENTS  
SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023



South Metro Fire Department  
West St. Paul, Minnesota  
Balance Sheet  
Governmental Funds  
For the Year Ended December 31, 2023

	101	301	401	Non-major Special Revenue 201	Total Governmental Funds
	General	Debt Service	Capital Projects	Grant	
<b>Assets</b>					
Cash and temporary investments	\$ 580,749	\$ 45,614	\$ 689,228	\$ -	\$ 1,315,591
Accounts receivable	67,725	-	-	-	67,725
Taxes receivable	82,396	-	-	-	82,396
Due from other governments	41,907	-	-	-	41,907
Prepaid items	-	-	677,485	-	677,485
<b>Total Assets</b>	<b><u>\$ 772,777</u></b>	<b><u>\$ 45,614</u></b>	<b><u>\$ 1,366,713</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,185,104</u></b>
<b>Liabilities</b>					
Accounts payable	\$ 13,417	\$ -	\$ 27,646	\$ -	\$ 41,063
Accrued salaries payable	118,812	-	-	-	118,812
Compensated absences	51,069	-	-	-	51,069
Due to other governments	41,990	45,614	-	-	87,604
<b>Total Liabilities</b>	<b><u>225,288</u></b>	<b><u>45,614</u></b>	<b><u>27,646</u></b>	<b><u>-</u></b>	<b><u>298,548</u></b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - taxes	3,168	-	-	-	3,168
<b>Fund Balances</b>					
Nonspendable	-	-	677,485	-	677,485
Restricted for					
Training	15,202	-	-	-	15,202
Assigned for capital projects	-	-	661,582	-	661,582
Unassigned	529,119	-	-	-	529,119
<b>Total Fund Balances</b>	<b><u>544,321</u></b>	<b><u>-</u></b>	<b><u>1,339,067</u></b>	<b><u>-</u></b>	<b><u>1,883,388</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 772,777</u></b>	<b><u>\$ 45,614</u></b>	<b><u>\$ 1,366,713</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,185,104</u></b>

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

**South Metro Fire Department**  
 West St. Paul, 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 Funds	\$ 1,883,388
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>	
Cost of capital assets	6,407,360
Less: accumulated depreciation	(3,454,689)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>	
<p>Long-term liabilities at year-end consist of</p>	
Financed purchase agreement	(830,000)
Compensated absences payable	(148,400)
Other postemployment benefits payable	(565,256)
Net pension liability	(6,113,779)
<p>Governmental funds do not report long-term amounts related to pensions and other postemployment benefits.</p>	
Deferred outflows of pension resources	9,163,945
Deferred inflows of pension resources	(8,756,170)
Deferred outflows of other postemployment benefits resources	83,426
<p>Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds</p>	
	3,168
Total Net Position - Governmental Activities	\$ (2,327,007)

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

**South Metro Fire Department**  
 West St. Paul, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2023

	<b>101</b>	<b>301</b>	<b>401</b>	Non-major Special Revenue <b>201</b>	Total Governmental Funds
	General	Debt Service	Capital Projects	Grant	
Revenues					
Charges for services	\$ 6,021,812	\$ 182,450	\$ 187,236	\$ -	\$ 6,391,498
Property taxes	1,208,517	-	-	-	1,208,517
Intergovernmental	335,132	-	-	-	335,132
Miscellaneous revenue	33,932	-	-	-	33,932
Total Revenues	<u>7,599,393</u>	<u>182,450</u>	<u>187,236</u>	<u>-</u>	<u>7,969,079</u>
Expenditures					
Current					
Public safety	7,445,409	-	-	-	7,445,409
Capital outlay					
Public safety	-	-	932,296	-	932,296
Debt service					
Principal	-	145,000	-	-	145,000
Interest and other	-	37,450	-	-	37,450
Total Expenditures	<u>7,445,409</u>	<u>182,450</u>	<u>932,296</u>	<u>-</u>	<u>8,560,155</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>153,984</u>	<u>-</u>	<u>(745,060)</u>	<u>-</u>	<u>(591,076)</u>
Other Financing Sources (Uses)					
Transfers in	-	125	101,675	-	101,800
Transfers out	(100,901)	-	-	(899)	(101,800)
Total Other Financing Sources (Uses)	<u>(100,901)</u>	<u>125</u>	<u>101,675</u>	<u>(899)</u>	<u>-</u>
Net Change in Fund Balances	53,083	125	(643,385)	(899)	(591,076)
Fund Balances, January 1	<u>491,238</u>	<u>(125)</u>	<u>1,982,452</u>	<u>899</u>	<u>2,474,464</u>
Fund Balances, December 31	<u>\$ 544,321</u>	<u>\$ -</u>	<u>\$ 1,339,067</u>	<u>\$ -</u>	<u>\$ 1,883,388</u>

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

**South Metro Fire Department**  
 West St. Paul, 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	\$ (591,076)
<p>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.</p>	
Capital outlay	817,638
Depreciation expense	(308,318)
Loss on sale of capital assets	(3,780)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discount, premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.</p>	
Principal repayments	145,000
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(1,090,383)
Pension revenue	16,879
<p>Certain revenue are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Property taxes	1,039
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Other postemployment benefits	-
Compensated absences	(6,886)
Change in Net Position - Governmental Activities	\$ (1,019,887)

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

**South Metro Fire Department**  
 West St. Paul, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 General Fund  
 For the Year Ended December 31, 2023  
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services					
Member charges for services	\$ 5,254,156	\$ 5,298,366	\$ 5,298,366	\$ -	\$ 5,254,158
Ambulance services	685,672	685,672	706,891	21,219	647,941
Fire services	22,300	22,300	16,555	(5,745)	15,180
Property taxes	1,209,952	1,209,952	1,208,517	(1,435)	824,145
Intergovernmental	280,612	280,612	335,132	54,520	250,708
Interest on investments	-	-	-	-	108
Miscellaneous revenue	50,000	55,000	33,932	(21,068)	14,620
Total Revenues	<u>7,502,692</u>	<u>7,551,902</u>	<u>7,599,393</u>	<u>47,491</u>	<u>7,006,860</u>
Expenditures					
Current					
Public safety					
Personal services	6,660,207	6,660,207	6,540,186	120,021	6,092,659
Supplies	181,115	186,115	207,647	(21,532)	213,054
Other services and charges	661,370	705,580	697,576	8,004	556,506
Total Expenditures	<u>7,502,692</u>	<u>7,551,902</u>	<u>7,445,409</u>	<u>106,493</u>	<u>6,862,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	153,984	153,984	144,641
Other Financing Uses					
Transfers out	-	-	(100,901)	(100,901)	(302,274)
Change in Fund Balances	-	-	53,083	53,083	(157,633)
Fund Balances, January 1	491,238	491,238	491,238	-	648,871
Fund Balances, December 31	<u>\$ 491,238</u>	<u>\$ 491,238</u>	<u>\$ 544,321</u>	<u>\$ 53,083</u>	<u>\$ 491,238</u>

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

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

The South Metro Fire Department (the Department) was created by a joint powers agreement between the Cities of South St. Paul and West St. Paul and began operations on January 1, 2008, pursuant to Minnesota Statute 471.59. The purpose of the Department is to provide fire protection services including, but not limited to, fire suppression, emergency medical support, specialized rescue and extrication services, fire prevention, public fire safety education, emergency hazardous materials release response, and fire cause and origin determination to the residents of South St. Paul and West St. Paul. The Department is governed by a five-member Board of Directors (Board) which includes two council members from each joint city. The fifth member is a public representative who is neither an employee nor a resident of either city, not an employee of the Department, and not employed in the fire service of any governmental unit. The City Council from each respective City appoints two of the five members to the Board. Each member serves a term of two years. The process for filling the public member position is as follows:

1. The Board shall approve three names to be forwarded to each City Council.
2. Each City Council shall rank each nominee in order of preference.
3. If the highest ranked person is the same on each list, then that person is appointed by each Council. If a nominee is not appointed within 30 days, a Chief Judge of the Dakota County District Court will appoint the public member from the list.

The Department 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 Department are such that exclusion would cause the Department's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government.

**Blended Component Unit.** The South St. Paul and West St. Paul Emergency Medical Services Special Taxing District (the Taxing District) is considered to be part of the primary government and included in the Department's reporting entity due to having the same Board of Directors and as a blended component unit due to the organization having a benefit relationship between the Department and the Taxing District. The Taxing District is reported as a part of the General fund.

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Department. As a general rule, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. 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. Other items not properly included among program revenues are reported instead as *general revenues*.

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

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 Department 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, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fines, interest and other items 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. All other revenue items are considered to be measurable and available only when cash is received by the Department.

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 Department receives value without directly giving equal value in return, include grants, entitlement and donations. 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 Department must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Department 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. On the modified accrual bases, receivables that will not be collected within the available period have also been reported as unavailable revenue in the fund financial statements.

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.

The Department reports the following major governmental funds:

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

The *Debt Service fund* accounts for the resources used in debt payments.

The *Capital Projects fund* accounts for the resources used for acquiring capital assets.

South Metro Fire Department  
 West St. Paul, Minnesota  
 Notes to the Financial Statements  
 December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

***Deposits and Investments***

The Department’s cash and cash equivalents are considered to be cash on hand and demand deposits.

Cash balances from all funds are pooled and deposited in demand deposit accounts and savings accounts. The Department does not have any investments.

***Property Taxes***

The Taxing District Board 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 Taxing District. These taxes attach an enforceable lien on taxable property within the taxing district on January 1 and are payable by the property owners in two installments. The taxes are collected by the county auditor and tax settlements are made to the Taxing District during January, July, and December of each year.

***Accounts Receivable***

Accounts receivable include amounts billed for ambulance and fire services provided before year end but not yet collected as of the end of the year. Delinquent charges are annually certified to collection agencies.

***Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Department as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Asset	Useful Lives in Years
Machinery and Equipment	5 - 15
Vehicles	5 - 20

***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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department has two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement dates.



South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***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 a 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 75, at December 31, 2022. The General fund is typically used to liquidate governmental other 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 except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employees Plan (GERP) and Police and Fire Plan (PEPFP) plans are as follows:

	Public Employees Retirement Association of Minnesota (PERA)		Total All Plans
	GERP	PEPFP	
City's proportionate share	\$ 9,232	\$ 1,916,087	\$ 1,925,319
Proportionate share of State's contribution	7	(14,700)	(14,693)
Total pension expense	\$ 9,239	\$ 1,901,387	\$ 1,910,626

***Compensated Absences***

It is the Department's policy to permit employees to accumulate earned but unused vacation and sick leave. Half of the year end sick leave balance is paid out to a health care savings account by January 31st of the subsequent year, while the maximum vacation balance for the year is equal to the annual accrual which will be paid out upon separation. At December 31, 2023, the liability accrued is \$148,400 for vacation benefits, while the amount accrued for sick leave is \$51,069. The General fund is typically used to liquidate governmental compensated absences payable.

***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 straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Deferred Inflows of Resources***

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

The Department has an additional item which qualifies for reporting in this category. The item, deferred pension resources is reported only in the statement of net position and results from actuarial calculations.

***Fund Balance***

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

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

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

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board, which is the Department's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board 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 Board itself or by an official to which the governing body delegates the authority. The Board has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Fire Chief.

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

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

The Department has formally adopted a fund balance policy for the General fund. The Department's policy is to retain unassigned fund balance in the General fund of no more than 5 percent of budgeted operating expenditures for cash-flow timing needs. It is the Department's policy to transfer any unassigned balance in excess of 5 percent of the following years budgeted expenditures to the capital projects fund in the subsequent year.

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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 - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Department'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 prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and Capital Projects fund. All annual appropriations lapse at year end. The Department does not use encumbrance accounting.

Annually, the Board must approve a budget and submit it to each City. The budget becomes adopted once approved by both City Councils. Each City is responsible for 50 percent of the approved operating budget of the Department.

**B. Excess of Expenditures over Appropriations**

For the year ended December 31, 2023, expenditures exceeded appropriations in the Capital Projects fund:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Capital Projects	\$ 303,140	\$ 932,296	\$ (629,156)

These excess expenditures were funded by a grant received in the prior year.

**Note 3: Detailed Notes on Accounts**

**A. Deposits and Investments**

**Deposits**

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the Department's deposits and investments may not be returned or the Department 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 Board, the Department maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on Accounts (Continued)**

Minnesota statutes require that all Department 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, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

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 government entity.

At year end, the Department's carrying amount of deposits was \$1,315,591 and the bank balance was \$1,347,765. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was covered with collateral held by the Department's agent in the Department's name.

**B. Interfund Transfers**

The Department made the following one-time transfers in 2023:

- The General fund transferred \$100,776 to the Capital Projects fund for future capital projects in following department policy to transfer fund balance in excess five percent of the following year's budget.
- The General fund transferred \$125 to the Debt Service fund to eliminate a negative fund balance.
- The Grant fund transferred \$899 to the Capital Projects fund to close out the fund in the current year.

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on Accounts (Continued)**

**C. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Construction in process	\$ -	\$ 677,485	\$ -	\$ 677,485
Capital Assets being Depreciated				
Machinery and equipment	1,486,014	78,659	(49,237)	1,515,436
Vehicles	4,358,966	61,494	(206,021)	4,214,439
Total Capital Assets Being Depreciated	<u>5,844,980</u>	<u>140,153</u>	<u>(255,258)</u>	<u>5,729,875</u>
Less Accumulated Depreciation for				
Machinery and equipment	(648,112)	(131,099)	51,478	(727,733)
Vehicles	(2,749,737)	(177,219)	200,000	(2,726,956)
Total Accumulated Depreciation	<u>(3,397,849)</u>	<u>(308,318)</u>	<u>251,478</u>	<u>(3,454,689)</u>
 Total Capital Assets being depreciated, Net	 <u>2,447,131</u>	 <u>(168,165)</u>	 <u>(3,780)</u>	 <u>2,275,186</u>
 Total Capital Assets, Net	 <u>\$ 2,447,131</u>	 <u>\$ 509,320</u>	 <u>\$ (3,780)</u>	 <u>\$ 2,952,671</u>

**D. Leases**

The Department has issued the following finance purchase obligations to finance vehicles:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Fire Truck - Pumper	\$ 1,380,000	2.19 %	5/1/2019	12/1/2028	<u>\$ 830,000</u>

Annual requirements to maturity are as follows:

Year Ended December 31,	Financed Purchase Obligation		
	Principal	Interest	Total
2024	\$ 155,000	\$ 31,400	\$ 186,400
2025	160,000	25,200	185,200
2026	165,000	18,800	183,800
2027	170,000	12,200	182,200
2028	<u>180,000</u>	<u>5,400</u>	<u>185,400</u>
Total	<u>\$ 830,000</u>	<u>\$ 93,000</u>	<u>\$ 923,000</u>

South Metro Fire Department  
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**Note 3: Detailed Notes on Accounts (Continued)**

**E. Changes in Long-term Liabilities**

The following changes occurred in long-term liabilities during the year ended December 31, 2023:

	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
Financed Purchase Obligation	\$ 975,000	\$ -	\$ (145,000)	\$ 830,000	\$ 155,000
Compensated Absences	187,654	211,284	(199,469)	199,469	199,469
Total	<u>\$ 1,162,654</u>	<u>\$ 211,284</u>	<u>\$ (344,469)</u>	<u>\$ 1,029,469</u>	<u>\$ 354,469</u>

**Note 4: Joint Powers Agreement**

On May 1, 2012, the cities of South St. Paul and West St. Paul entered into a joint powers agreement to create a special taxing district for emergency medical services, pursuant to Minnesota statutes 471.59 and 144F.01. The purpose of the special taxing district is to provide for out-of-hospital emergency medical services including, but not limited to, first responder or rescue squads, ambulance services, medical control function, communications equipment and system and programs of regional emergency medical services. The special taxing district is governed by the South Metro Fire Department Board of Directors and the two entities share the same set of bylaws. Taxes were levied by the district in 2023 for \$1,209,952, the maximum allowed for the special taxing district. As the purpose of the taxing district was to help fund the out-of-hospital emergency services of the Department, the entire amount of the taxes received was transferred to the Department. The special taxing district has been presented as a blended component unit. During 2023, the Taxing District collected \$1,208,558 in taxes and transferred the entire amount to the Department.

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**Note 5: Defined Benefit Pension Plans - Statewide**

**A. Plan Description**

The Department 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 Department 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.

South Metro Fire Department  
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Notes to the Financial Statements  
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**Note 5: 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 Department was required to contribute 7.50 percent for Coordinated Plan members. The Department's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$6,114, \$5,555 and \$5,381, respectively. The Department'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 Department was required to contribute 17.70 percent for Police and Fire Plan members. The Department's contributions to the Police and Fire Fund for the years ending December 31, 2023, 2022 and 2021 were \$814,129, \$760,840 and \$712,314, respectively. The Department's contributions were equal to the required contributions for each year as set by state statute.



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**Note 5: Defined Benefit Pension Plans - Statewide (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2023, the Department reported a liability of \$55,919 for its proportionate share of the General Employees Fund's net pension liability. The Department'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 Department totaled \$1,500. 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 Department's proportionate share of the net pension liability was based on the Department'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 Department's proportionate share was 0.001 percent at the end of the measurement period and 0.001 percent for the beginning of the period.

Department Proportionate Share of the Net Pension Liability	\$	55,919
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the Department		1,500
Total	\$	57,419

For the year ended December 31, 2023, the Department recognized pension expense of \$9,232 for its proportionate share of the General Employees Plan's pension expense. In addition, the Department recognized \$7 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 Department 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	\$ 1,836	\$ 385
Changes in Actuarial Assumptions	9,921	15,327
Net Difference Between Projected and Actual Investment Earnings	-	2,091
Changes in Proportion	-	-
Contributions Paid to PERA Subsequent to the Measurement Date	3,086	-
Total	\$ 14,843	\$ 17,803

South Metro Fire Department  
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**Note 5: Defined Benefit Pension Plans - Statewide (Continued)**

The \$3,086 reported as deferred outflows of resources related to pensions resulting from the Department'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		\$	2,243
2025			(8,381)
2026			1,306
2027			(1,213)

Police and Fire Fund Pension Costs

At December 31, 2023, the Department reported a liability of \$6,057,860 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 Department's proportionate share of the net pension liability was based on the Department'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 Department's proportionate share was 0.3508 percent at the end of the measurement period and 0.3426 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 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 Department recognized pension expense of \$1,916,087 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the Department recognized an additional negative \$14,700 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 Department recognized \$31,572 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.

South Metro Fire Department  
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**Note 5: Defined Benefit Pension Plans - Statewide (Continued)**

At December 31, 2023, the Department 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	\$ 1,642,686	\$ -
Changes in Actuarial Assumptions	6,763,913	8,515,130
Net Difference Between Projected and Actual Investment Earnings	-	187,752
Changes in Proportion	331,039	35,485
Contributions Paid to PERA Subsequent to the Measurement Date	411,464	-
Total	\$ 9,149,102	\$ 8,738,367

The \$411,464 reported as deferred outflows of resources related to pensions resulting from the Department'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	\$ 329,081
2025	108,320
2026	1,439,785
2027	(374,921)
2028	(1,502,993)

**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 %	

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**Note 5: 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 adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 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:

General Employees Fund

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.

South Metro Fire Department  
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**Note 5: 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 Department'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 Department'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:

	<u>1 Percent Decrease (6.0%)</u>	<u>Current (7.0%)</u>	<u>1 Percent Increase (8.0%)</u>
General Employees Fund	\$ 98,925	\$ 55,919	\$ 20,545
Police and Fire Fund	12,019,517	6,057,860	1,156,581

**I. Pension Plan Fiduciary Net Position**

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

South Metro Fire Department  
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**Note 6: Postemployment Benefits other than Pensions**

**A. Plan Description**

The Department operates a single-employer retiree benefit plan ("the Plan") that provides benefits for retirees as required by *Minnesota Statutes* 471.61 subdivision 2b.. The full cost of the benefits is covered by the plan. Benefit and eligibility provisions are established through negotiations between the Department and various unions representing Department employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available report. Eligibility requirements are as follows:

**Non-police/Fire Employees:** 1) who started before January 1, 1989 and retire from the Department with the earlier of age 55 and 3 years of service or 30 years of services, 2) who started after January 1, 1989 and before July 1, 2010 and retire from the department at age 55 and 3 years of services, or 3) who started after July 1, 2010 and retire from the Department at age 55 and 5 years of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the Department's health benefits program until age 65. Pursuant to the provisions of the plan, retirees are required to pay the total premium cost.

**Police/Fire Employees:** 1) who started prior to July 1, 2010 and retire from the Department with the earlier of age 50 and 3 years of service or age 65 and 1 year of service, 2) who started June 30, 2010 and retire from the Department with the earlier of age 50 and 5 years of service or age 65 and 1 year of service, may continue coverage with respect to both themselves and their eligible dependent(s) under the Department's health benefits program until age 65. Pursuant to the provisions of the plan, retirees are required to pay the total premium cost.

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	6
Inactive Plan Members Entitles to but not yet Receiving Benefit Payments	-
Active Plan Members	38
 Total Plan Members	 44

**B. Funding Policy**

The Department funds its OPEB obligation on a pay as you go basis. For the year ended December 31, 2023, the Department's average contribution rate was 2.12 percent of covered-employee payroll. For the fiscal year 2023, the Department contributed \$83,426 to the plan.

Discount Rate	1.84%
Expected Long-term Investment Return	N/A
20-year Municipal Bond Yield	1.84%
Inflation Rate	2.25%
Salary Increases	3.00%
Medical Trend Rate	6.3% for 2021, gradually decreasing over several decades to an ultimate rate of 3.8% in 2075 and later years

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 6: Postemployment Benefits other than Pensions (Continued)**

**C. Actuarial Methods and Assumptions**

The Department's total OPEB liability of \$565,256 was measured as of December 31, 2021, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2020. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

The discount rate used to measure the total OPEB liability was 1.84 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. The equivalent single rate is the discount rate.

Mortality rates were based on the RP-2014 Mortality Tables with projected mortality improvements based on scale MP-2017, and other adjustments.

The actuarial assumptions used in the December 31, 2021 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

**D. Changes in the Total OPEB Liability**

	Total OPEB Liability (a)
Balances at December 31, 2022	\$ 516,295
Changes for the Year:	
Service cost	53,339
Interest	10,558
Differences between expected and actual experience	63,496
Changes in assumptions or other inputs	4,994
Benefit payments	(83,426)
Net Changes	48,961
Balances at December 31, 2023	\$ 565,256

There were no changes in the actuarial assumptions in 2023.

South Metro Fire Department  
West St. Paul, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 6: Postemployment Benefits other than Pensions (Continued)**

**E. Sensitivity of the Total OPEB Liability**

The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.84 percent) or 1-percentage-point higher (2.84 percent) than the current discount rate:

1 Percent Decrease (0.84%)	Current (1.84%)	1 Percent Increase (2.84%)
\$ 596,445	\$ 565,256	\$ 534,206

The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower (5.30 percent decreasing to 2.80 percent) or 1-percentage-point higher (7.30 percent increasing to 4.80 percent) than the current trend rate:

1 Percent Decrease (5.3% Decreasing to 2.8%)	Healthcare Cost Trend Rates (6.3% Decreasing to 3.8%)	1 Percent Increase (7.3% Decreasing to 4.8%)
\$ 506,832	\$ 565,256	\$ 632,321

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

For the year ended December 31, 2023, the Department recognized OPEB expense of \$132,387. At December 31, 2023, the Department reported deferred outflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to OPEB Subsequent to the Measurement Date	\$ 83,426	\$ -

**Note 7: Other Information**

**Risk Management**

The Department 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 Department carries insurance. There have been no significant reductions in insurance coverage during 2023 and settlements have not exceeded insurance coverage for any of the past three fiscal years.



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REQUIRED SUPPLEMENTARY INFORMATION

SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information  
For the Year Ended December 31, 2023

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

Fiscal Year Ending	Department's Proportion of the Net Pension Liability	Department's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Department (b)	Total (a+b)	Department's Covered Payroll (c)	Department'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	0.0010 %	\$ 55,919	\$ 1,500	\$ 57,419	\$ 80,358	69.60 %	83.1 %
06/30/22	0.0010	79,200	2,256	81,456	72,738	108.9	76.7
06/30/21	0.0010	42,704	1,265	43,969	67,937	62.9	87.0
06/29/20	0.0010	59,955	1,793	61,748	68,567	87.4	79.0
06/30/19	0.0010	55,288	1,667	56,955	67,908	81.4	80.2
06/30/18	0.0009	49,928	1,762	51,690	62,321	80.1	79.5
06/30/17	0.0009	57,455	722	58,177	57,941	99.2	75.9
06/29/16	0.0010	81,195	1,047	82,242	54,185	149.8	68.9
06/29/15	0.0009	46,643	-	46,643	52,948	88.1	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)	Department's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/23	\$ 6,114	\$ 6,114	\$ -	\$ 81,525	7.5 %
12/31/22	5,555	5,555	-	74,062	7.5
12/31/21	5,381	5,381	-	71,748	7.5
12/30/20	5,219	5,219	-	69,587	7.5
12/31/19	5,076	5,076	-	67,683	7.5
12/31/18	4,895	4,895	-	65,269	7.5
12/31/17	4,571	4,571	-	60,941	7.5
12/30/16	4,157	4,157	-	55,423	7.5
12/30/15	4,023	4,023	-	53,642	7.5

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

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - General Employees 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.

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

**Notes to the Required Supplementary Information - General Employees 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.

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

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

Fiscal Year Ending	Department's Proportion of the Net Pension Liability	Department's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Department (b)	Total (a+b)	Department's Covered Payroll (c)	Department'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	0.3508 %	\$ 6,057,860	\$ 244,061	\$ 6,301,921	\$ 4,607,311	131.5 %	86.5 %
06/30/22	0.3426	14,908,599	651,351	15,559,950	4,161,666	358.2	70.5
06/30/21	0.3277	2,529,497	113,708	2,643,205	3,727,679	67.9	93.7
06/29/20	0.3296	4,344,481	102,329	3,560,026	3,717,877	116.9	87.2
06/30/19	0.3344	3,560,026	-	3,430,057	3,524,229	101.0	89.3
06/30/18	0.3218	3,430,057	-	4,225,872	3,391,538	101.1	88.8
06/30/17	0.3130	4,225,872	-	12,882,289	3,214,340	131.5	85.4
06/29/16	0.3210	12,882,289	-	3,613,224	3,308,915	389.3	63.9
06/29/15	0.3180	3,613,224	-	-	3,007,668	120.1	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)	Department's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/23	\$ 814,129	\$ 814,129	\$ -	\$ 4,599,598	17.7 %
12/31/22	760,840	760,840	-	4,298,529	17.7
12/31/21	712,314	712,314	-	4,024,372	17.7
12/30/20	669,808	669,808	-	3,784,226	17.7
12/31/19	620,837	620,837	-	3,662,753	17.0
12/31/18	550,230	550,230	-	3,396,484	16.2
12/31/17	536,044	536,044	-	3,308,915	16.2
12/30/16	510,403	510,403	-	3,150,634	16.2
12/30/15	487,242	487,242	-	3,007,668	16.2

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

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

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

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

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

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

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

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

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

Changes in Plan Provisions

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.



South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

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

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

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

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

South Metro Fire Department  
West St. Paul, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2023

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

	2022	2021	2020	2019
Total OPEB Liability				
Service cost	\$ 53,339	\$ 83,426	\$ 67,351	\$ 46,710
Interest	10,558	36,106	42,877	30,196
Differences between expected and actual experience	63,496	(800,275)	-	151,311
Changes in assumptions	4,994	13,305	98,941	29,973
Benefit payments	<u>(83,426)</u>	<u>(91,595)</u>	<u>(44,384)</u>	<u>(26,433)</u>
Net Change in Total OPEB Liability	48,961	(759,033)	164,785	231,757
Total OPEB Liability - Beginning	<u>516,295</u>	<u>1,275,328</u>	<u>1,110,543</u>	<u>878,786</u>
 Total Opeb Liability - Ending	 <u>\$ 565,256</u>	 <u>\$ 516,295</u>	 <u>\$ 1,275,328</u>	 <u>\$ 1,110,543</u>
 Covered - Employee Payroll	 \$ 4,118,359	 \$ 3,938,293	 \$ 3,742,803	 \$ 3,483,255
 Department's total OPEB liability as a percentage of covered employee payroll	 13.70 %	 13.10	 34.10	 31.90

*Benefit Changes:*

In 2020, no benefit changes occurred.

*Changes in Assumptions:*

In 2022, there were no changes in assumptions.

In 2021, the following assumptions changes:

The discount rate was changed from 2.75% to 2.00% based on updated 20-year municipal bond rates.

Healthcare trend rates were reset to reflect updated cost increase expectations.

Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7/1/2018 PERA General Employees Plan and 7/1/2018 PERA Police & Fire Plan valuations to the rates used in the 7/1/2020 valuations.

Disability rates were added as rates used in the 7/1/2020 PERA General Employees Plan and 7/1/2020 PERA Police & Fire Plan valuations.

The inflation assumption was changed from 2.50% to 2.25% based on an updated historical analysis of inflation rates and forward-looking market expectations.

The spouse election rate is no longer applicable since implicit subsidy benefits were removed.

In 2020, the following assumptions changes:

The discount rate and the Index rate for 20-year, tax-exempt municipal bonds

(Fidelity 20-Year Municipal GO AA Index) used in discount rate determination was changed from 3.71% to 2.75%.

The medical trend rates were updated to exclude the Affordable Care

Act's Excise Tax on high-cost health insurance plan due to its repeal.

In 2019, the following assumptions changes:

The discount rate and the Index rate for 20-year, tax-exempt municipal bonds

(Fidelity 20-Year Municipal GO AA Index) used in discount rate determination was changed from 3.31% to 3.71%.

The health care trend rates were reset to reflect updated cost increase expectations

Medical per capita claims costs were updated to reflect recent experience and new plan offerings.

Act's Excise Tax on high-cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.41% beginning calendar year 2040 for plans other than Medicare plans.

The withdrawal table and salary scale for employees were updated to reflect the rates used in the July 1, 2018 PERA actuarial valuations.

The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

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

SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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**South Metro Fire Department**  
 West St. Paul, Minnesota  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 Capital Projects Fund  
 For the Year Ended December 31, 2023  
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services					
Member charges for services	\$ 187,236	\$ 187,236	\$ 187,236	\$ -	\$ 156,032
Intergovernmental revenue	-	-	-	-	650,000
Total Revenues	<u>187,236</u>	<u>187,236</u>	<u>187,236</u>	<u>-</u>	<u>806,032</u>
Expenditures					
Capital outlay	<u>293,940</u>	<u>303,140</u>	<u>932,296</u>	<u>(629,156)</u>	<u>139,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,704)	(115,904)	(745,060)	(629,156)	666,839
Other Financing Sources					
Transfers in	<u>-</u>	<u>-</u>	<u>101,675</u>	<u>101,675</u>	<u>302,274</u>
Change in Fund Balances	(106,704)	(115,904)	(643,385)	(527,481)	969,113
Fund Balances, January 1	<u>1,982,452</u>	<u>1,982,452</u>	<u>1,982,452</u>	<u>-</u>	<u>1,013,339</u>
Fund Balances, December 31	<u>\$ 1,875,748</u>	<u>\$ 1,866,548</u>	<u>\$ 1,339,067</u>	<u>\$ (527,481)</u>	<u>\$ 1,982,452</u>

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OTHER REQUIRED REPORT  
SOUTH METRO FIRE DEPARTMENT  
WEST ST. PAUL, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023



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

Board of Directors  
South Metro Fire Department  
West St. Paul, Minnesota

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the South Metro Fire Department (the Department), West St. Paul, Minnesota as of and for the year ended December 31, 2023, and the notes to the financial statements which collectively comprise the Department's basic financial statements, and have issued our report thereon dated April 12, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Department 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 Department's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of management, the Board of Directors, others within the Department, and the Minnesota Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.



**Abdo**  
Minneapolis, Minnesota  
April 12, 2024