

City of Little Falls, Minnesota

Audited Financial Statements

For The Year Ended December 31, 2023

**SCHLENNER
WENNER & Co.**
CPAs

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INTRODUCTORY SECTION

**CITY OF LITTLE FALLS, MINNESOTA
CITY COUNCIL AND OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CITY COUNCIL

Term Expires

Gregory Zylka	Mayor	December 31, 2026
David Glaze	Council Member, At Large	December 31, 2026
Leif Hanson	Council Member, First Ward	December 31, 2026
Raquel Lundberg	Council Member, First Ward	December 31, 2024
Gerald Knafla	Council Member, Second Ward	December 31, 2024
Wayne Liljegren	Council Member, Second Ward	December 31, 2026
Frank Gosiak	Council Member, Third Ward	December 31, 2024
David Meyer	Council Member, Third Ward	December 31, 2026

CITY OFFICIALS

Jon Radermacher	City Administrator
Hannah Kurkowski	Finance Director

**FINANCIAL
SECTION**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Little Falls, Minnesota

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual nonmajor governmental funds financial statements, and additional schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor governmental funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor governmental funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and additional schedules listed as supplementary information in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024, on our consideration of the City of Little Falls' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Little Falls' internal control over financial reporting and compliance.

A handwritten signature in dark ink, reading "Schlenner Wenner & Co." in a cursive script.

SCHLENNER WENNER & CO.

St. Cloud, Minnesota

July 1, 2024

**REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Our discussion and analysis of the City of Little Falls' financial performance provides an overview of the City's financial activities for the year ended December 31, 2023. Please read it in conjunction with the independent auditor's report on page four and the City's financial statements, which begin on page nineteen.

FINANCIAL HIGHLIGHTS

- The City's net position increased \$1,457,135 compared to the prior year as a result of this year's operations.
- In the City's business-type activities, revenues increased \$747,225 (or 13.07 percent), while program expenses increased \$366,392 (or 7.92 percent). These changes are discussed in greater detail throughout the following pages.
- Total cost of all of the City's programs increased \$1,529,581 (or 9.44 percent).
- The City's General Fund generated more revenue than budgeted of \$147,185, excluding transfers in from other funds, and expenditures were more than budgeted by \$307,306, excluding transfers to other funds. See additional details on page seventy-one.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages nineteen and twenty) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page twenty-one. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page ten. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. You can think of the City's net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base, costs associated with current and future construction projects, and the condition of the City's roads, to assess the overall health of the City.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

USING THIS ANNUAL REPORT (Continued)

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental Activities**-Most of the City's basic services are reported here, including public safety, public works, culture and recreation, and general administration. Property taxes, special assessments, licenses, permits and fees, and state aids finance most of these activities.
- **Business-type Activities**-The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, wastewater, storm water, municipal golf course, and recycling and garage activities are reported here.

Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page twelve. The fund financial statements on page twenty-one provide detailed information about the most significant funds-not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds (governmental, proprietary and fiduciary) use different accounting approaches.

- **Governmental Funds**-Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the governmental fund financial statements.
- **Proprietary Funds**-When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds are similar to the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. We describe the relationship (or differences) between business-type activities (reported in the Statement of Net Position and the Statement of Activities) and enterprise funds in reconciliations following the fund financial statements.
- **Fiduciary Fund**-this fund is used to account for resources held for the benefit of parties outside of the City. The City is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the City-wide financial statements because the City cannot use these assets to finance its operations.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

THE CITY AS A WHOLE

The City's combined net position increased \$1,457,135 from a year ago. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**Table 1
Net Position**

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$22,419,126	\$17,246,382	\$ 5,217,158	\$ 4,722,603	\$27,636,284	\$21,968,985
Net Capital Assets	43,651,558	45,657,876	43,091,408	39,240,758	86,742,966	84,898,634
Net Pension Asset	112,016	328,577	-	-	112,016	328,577
Total Assets	66,182,700	63,232,835	48,308,566	43,963,361	114,491,266	107,196,196
Deferred Outflows of Resources	4,061,165	4,594,632	364,231	494,503	4,425,396	5,089,135
Current Liabilities	1,472,301	1,558,679	367,349	483,443	1,839,650	2,042,122
Noncurrent Liabilities	23,673,628	21,062,536	13,918,945	14,452,839	37,592,573	35,515,375
Total Liabilities	25,145,929	22,621,215	14,286,294	14,936,282	39,432,223	37,557,497
Deferred Inflows of Resources	3,424,902	276,371	160,379	9,440	3,585,281	285,811
Net Position:						
Net Investment in						
Capital Assets	23,235,959	31,079,254	29,744,469	25,470,373	52,980,428	56,549,627
Restricted	4,830,581	6,880,216	-	-	4,830,581	6,880,216
Unrestricted	13,606,494	6,970,411	4,481,655	4,041,769	18,088,149	11,012,180
Total Net Position	<u>\$41,673,034</u>	<u>\$44,929,881</u>	<u>\$34,226,124</u>	<u>\$29,512,142</u>	<u>\$75,899,158</u>	<u>\$74,442,023</u>

The net position of the City's governmental activities decreased by \$3,256,847 (7.25 percent). Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) increased by \$6,636,083 compared to the prior year.

The net position of the City's business-type activities increased by \$4,713,982 (15.97 percent) from the prior year. Such increase can be attributed primarily to the capital asset transfers in the current year.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

THE CITY AS A WHOLE (Continued)

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
REVENUE						
Charges for Services	\$ 1,010,446	\$ 831,436	\$ 6,213,717	\$ 5,555,461	\$ 7,224,163	\$ 6,386,897
Operating Grants and Contributions	445,987	1,426,488	35,553	44,090	481,540	1,470,578
Capital Grants and Contributions	2,612,484	1,108,408	-	-	2,612,484	1,108,408
Taxes	5,639,950	5,029,919	84,622	84,599	5,724,572	5,114,518
Intergovernmental	2,736,414	3,596,547	6,617	211,268	2,743,031	3,807,815
Investment Income	185,195	(160,224)	123,396	(212,973)	308,591	(373,197)
Other	250,051	193,375	430	34,665	250,481	228,040
Total Revenues	12,880,527	12,025,949	6,464,335	5,717,110	19,344,862	17,743,059
PROGRAM EXPENSES						
General Government	2,047,324	1,600,846	-	-	2,047,324	1,600,846
Public Safety	3,325,051	3,529,320	-	-	3,325,051	3,529,320
Public Works	4,045,250	3,641,633	-	-	4,045,250	3,641,633
Culture and Recreation	1,317,601	878,004	-	-	1,317,601	878,004
Community Development	530,969	535,411	-	-	530,969	535,411
Airport	561,284	383,295	-	-	561,284	383,295
Unallocated Depreciation	14,466	12,800	-	-	14,466	12,800
Debt Service	901,549	998,996	-	-	901,549	998,996
Water	-	-	1,515,572	1,505,416	1,515,572	1,505,416
Wastewater	-	-	1,631,804	1,444,620	1,631,804	1,444,620
Storm Water	-	-	113,439	88,839	113,439	88,839
Golf	-	-	878,076	755,244	878,076	755,244
Recycling and Garbage	-	-	853,013	831,393	853,013	831,393
Total Expenses	12,743,494	11,580,305	4,991,904	4,625,512	17,735,398	16,205,817
Loss on Disposal of Assets	(159,279)	(39,762)	6,950	-	(152,329)	(39,762)
Capital Asset Transfers	(4,147,650)	(1,231,975)	4,147,650	1,231,975	-	-
Transfers	913,049	1,896,047	(913,049)	(1,896,047)	-	-
Change in Net Position	\$ (3,256,847)	\$ 1,069,954	\$ 4,713,982	\$ 427,526	\$ 1,457,135	\$ 1,497,480

The City's total revenues increased by \$1,601,803 (9.03 percent). The total cost of all programs and services increased by \$1,529,581 (9.44 percent). Our analysis on the following page separately considers the operations of governmental and business-type activities.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

THE CITY AS A WHOLE (Continued)

Governmental Activities

Revenue for the City's governmental activities increased by \$854,578 (7.11 percent). The increase in revenue is primarily due to an increase in capital grants and contributions, as well as investment earnings. Total expenses increased \$1,163,189 (10.04 percent). The increase in expenses is primarily due to general government and culture and recreation expenditures.

Table 3 presents the cost of each of the City's programs (general government, public safety, public works, culture and recreation, airport operations, community development, unallocated depreciation, and debt service) as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. Activities, net of capital outlay which is excluded from Table 3, were generally comparable to the prior year as operations remained fairly consistent with the prior year, with exception of the following items:

- Public Safety net cost of services decreased, primarily due to a decrease in public safety expenditures coupled with an increase in building inspection revenue in the current year.
- Public Works net cost of services decreased in the current year. While Public Works expenditures increased by \$403,617 from the prior year, this increase was offset by an increase in Capital Grants and Contributions of \$1,587,972 over the prior year.

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$ 2,047,324	\$ 1,600,846	\$ 1,936,253	\$ 1,047,845
Public Safety	3,325,051	3,529,320	2,457,666	2,846,805
Public Works	4,045,250	3,641,633	1,393,306	2,571,884
Culture and Recreation	1,317,601	878,004	1,275,372	709,692
Community Development	530,969	535,411	435,867	(164)
Airport	561,284	383,295	260,098	26,115
Unallocated Depreciation	14,466	12,800	14,466	12,800
Debt Service	901,549	998,996	901,549	998,996
Totals	<u>\$ 12,743,494</u>	<u>\$ 11,580,305</u>	<u>\$ 8,674,577</u>	<u>\$ 8,213,973</u>

Business-type Activities

Revenues of the City's business-type activities (see Table 2) increased by \$747,225 (13.07 percent) and program expenses increased by \$366,392 (7.92 percent). The increase in business-type revenues is mainly due to an increase in revenues from charges for services and investment earnings. The increase in business-type expenses is mainly due to inflationary increases across a variety of expense categories.

THE CITY'S FUNDS

Governmental Funds

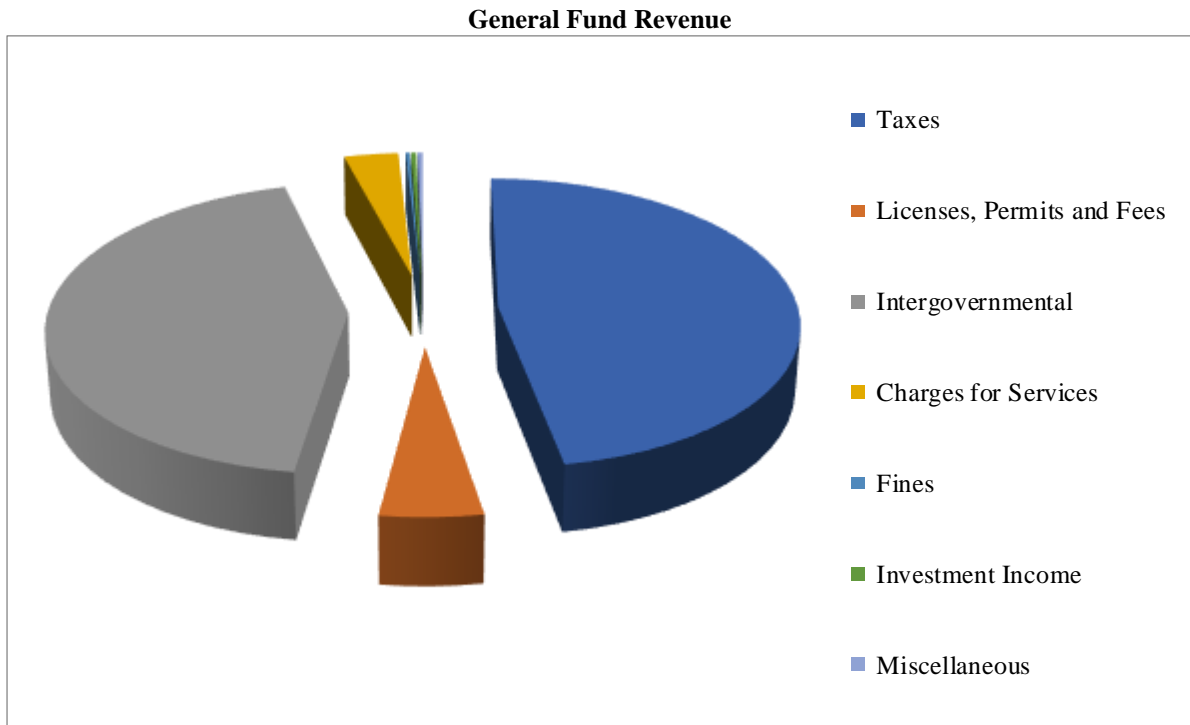
As the City completed the year, its governmental funds (as presented in the balance sheet on page twenty-one) reported a combined fund balance of \$17,463,096. This is an increase of \$4,162,143 from the prior year. Operations were comparable to the prior year, with the exception of decreased capital outlay expenditures related to various construction projects and increased related grant revenue and debt proceeds. Financial information specific to the governmental funds is detailed on the following pages. Such information was derived from the fund financials.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

THE CITY'S FUNDS (Continued)

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2023	2022	
General	\$ 1,444,134	\$ 1,584,531	\$ (140,397)

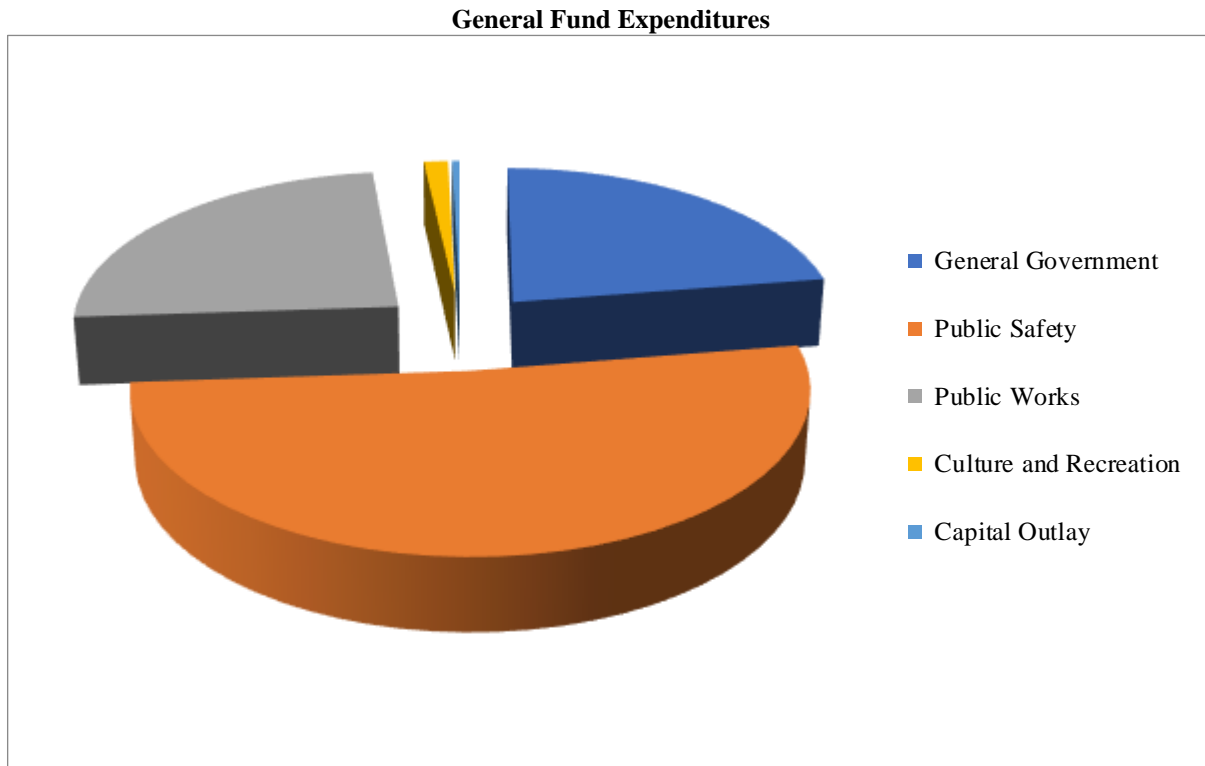
The fund balance of the General Fund decreased by \$140,397 compared to 2022. Details of the General Fund's revenues and expenditures are displayed below:



The City receives the majority of its funding in the General Fund in the form of grants and funding received from other governmental agencies (43.67 percent) and taxes (47.25 percent). Overall, the City's General Fund revenues were comparable to the prior year, with the exception of increases in taxes and licenses, permits, and fees revenues.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

THE CITY'S FUNDS (Continued)



A significant portion of the City's General Fund expenditures are used for public safety (51.44 percent). Remaining expenditures are used primarily on public works activities (24.32 percent) and general government operations (22.48 percent). Expenditures are comparable to the prior year, with the exception of an increase in public safety expenditures.

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2023	2022	
Economic Development Authority	\$ 1,351,592	\$ 1,376,628	\$ (25,036)

The Economic Development Authority fund balance decreased as a result of community development expenditures and loan principle payouts exceeding taxes, investment earnings, and loan collections during the year.

Economic Development Loan	\$ 3,286,500	\$ 3,339,959	\$ (53,459)
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The Economic Development Loan fund balance decreased as a result of community development expenditures and loan principle payouts exceeding investment earnings and loan collections during the year.

Debt Service	\$ 5,367,396	\$ 4,892,836	\$ 474,560
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The Debt Service fund balance increased as a result of receiving 2023A G.O. Bond proceeds in the current year and the City transfers out not exceeding those proceeds.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

THE CITY'S FUNDS (Continued)

Major Funds	Fund Balance December 31,		Increase (Decrease)
	2023	2022	
Equipment Reserve	\$ 2,591,790	\$ 2,484,086	\$ 107,704

The Equipment Reserve fund balance increased due to more intergovernmental revenues, transfers from other funds and lease and debt proceeds received during the year exceeding expenditures.

General Fund Budgetary Highlights

The City's General Fund generated more revenue than budgeted of \$147,185, excluding transfers in from other funds, primarily due to licenses and permits exceeding anticipated amounts. Expenditures were more than those budgeted by \$307,306, excluding transfers to other funds, due primarily to actual public safety expenditures being more than budgeted amounts. The original budget was not amended during 2023.

Proprietary Funds

As the City completed the year, its business-type activities (as presented in the statement of net position on page twenty-five) reported a combined net position of \$34,085,093, an increase of \$4,713,982 from the prior year. The following is a summary of the City's major proprietary funds:

Major Funds	Net Position December 31,		Increase (Decrease)
	2023	2022	
Water Utility	\$ 12,438,358	\$ 9,939,113	\$ 2,499,245

The Water Utility Fund net position increased due to charges for services and capital asset transfers being higher than both operating expenses and transfers to other funds.

Wastewater Utility	\$ 21,289,620	\$ 18,877,092	\$ 2,412,528
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The Wastewater Utility Fund increased due to charges for services and capital asset transfers being higher than both operating expenses and transfers to other funds.

Recycling and Garbage	\$ 28,422	\$ 9,250	\$ 19,172
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The Recycling and Garbage Fund increased slightly due to charges for services and intergovernmental revenues being higher than both operating expenses and transfers to other funds.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the City had a \$86,742,966 net investment in a broad range of capital assets, including land, construction in progress, land improvements and infrastructure, buildings and structures, machinery and equipment, vehicles, and mains and lines. This amount represents a net increase of \$1,844,332 (2.17 percent) from last year.

**Table 4
Capital Assets Net of Depreciation**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,216,468	\$ 5,337,417	\$ 1,040,497	\$ 995,355	\$ 6,256,965	\$ 6,332,772
Construction In Progress	1,765,415	7,237,285	232,326	22,806,645	1,997,741	30,043,930
Land Improvements and Infrastructure	31,753,445	28,415,243	60,585	71,702	31,814,030	28,486,945
Buildings and Structures	2,905,766	3,040,261	31,527,300	8,918,968	34,433,066	11,959,229
Machinery and Equipment	1,321,163	967,638	1,055,286	1,172,450	2,376,449	2,140,088
Vehicles	471,650	660,032	126,374	150,255	598,024	810,287
Mains and Lines	-	-	8,993,202	5,070,292	8,993,202	5,070,292
Leased Equipment	163,856	-	55,838	55,091	219,694	55,091
Intangibles	53,795	-	-	-	53,795	-
Totals	\$ 43,651,558	\$ 45,657,876	\$ 43,091,408	\$ 39,240,758	\$ 86,742,966	\$ 84,898,634

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

- The City completed it's Wastewater Treatment Facility Improvement project for a total cost of \$22,925,894.
- The 4th Street Southeast project was completed for a total cost of \$4,109,998. 60% of this project was allocated to the Water Utility fund and 40% of the project was allocated to the Wastewater Utility fund.
- Construction was completed on the City's Airport Runway Improvement (Crosswind) project for a total cost of \$1,904,438.
- The City completed construction on it's 2022 Petition projects for a total capitalized cost of \$2,330,652.

More detailed information about the City's capital assets is presented in Note 2.C. to the financial statements.

Debt

At year-end, the City had \$33,617,855 in debt versus \$28,216,301 last year (an increase of 19.14 percent). During the year ending December 31, 2023, the City issued \$6,965,000 in General Obligation Permanent Improvement bonds. See additional information regarding long-term debt in Note 2.D. to the financial statements.

The City's Standard and Poor's bond rating is A with a negative outlook. This was downgraded during the year ending December 31, 2023 from the prior rating of A+.

**CITY OF LITTLE FALLS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council and staff carefully reviewed budget figures over the last three years in an attempt to set a budget which would adequately provide an acceptable level of service to the public. The City received an increase in Local Government Aid for 2024 of 14.7% or \$423,748. The Council increased the tax levy by 6.9% or \$232,309 for 2024.

In March 2022, the City was awarded \$1,500,000 for construction of a new childcare facility from the Department of Housing and Urban Development. The City has partnered with the Little Falls School District to construct the childcare facility. After construction is completed, the School District will operate the facility. Construction has started on this facility and is anticipated to be open in 2025.

Housing continues to be a concern for the City. With the high demand for workforce, the housing market has exploded, and inflated building costs have slowed the construction of new homes. In 2022, City Council approved a new TIF district and development agreement for a new 49-unit apartment complex to be constructed in Little Falls. Construction on this facility is set to be complete in fall 2024. In addition, the City Council approved a new TIF district and development agreement with another developer to construct a 45-unit affordable housing apartment complex.

The Council approved a \$2.5M clubhouse renovation project that began in 2023. Completion of the project is set for June 2024. The renovated clubhouse will consist of an event center, meeting room, golf simulator, and bar and pro shop. The City intends to lease out operations of the facility in 2025 and is working on a plan for lease operations.

The Council and staff continue to be aware of the debt levy and are attempting to balance debt levy requirements with aging infrastructure needs as well as capital equipment needs. The City, along with the Economic Development Authority, continues to attract new and expanding businesses to Little Falls with the use of various grants and loans. As always, the City Council and staff continue to be diligent in our efforts to maximize revenues and control spending.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Little Falls, 100 7th Avenue NE; Little Falls, MN 56345 or call (320) 616-5500.

BASIC FINANCIAL STATEMENTS

CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash, Cash Equivalents, and Investments	\$ 12,172,610	\$ 6,989,355	\$ 19,161,965
Property Taxes Receivable	162,544	-	162,544
Assessments Receivable	3,010,688	-	3,010,688
Accounts Receivable	458,544	758,328	1,216,872
Interest Receivable	43,418	40,032	83,450
Internal Balances	2,643,948	(2,643,948)	-
Due from Other Governments	319,448	-	319,448
Inventory	46,199	32,723	78,922
Prepays	215,702	40,668	256,370
Deposit on Asset	11,038	-	11,038
Noncurrent Assets:			
Capital Assets Not Being Depreciated/Amortized	7,224,590	1,344,615	8,569,205
Capital Assets Being Depreciated/Amortized (Net)	36,426,968	41,746,793	78,173,761
Loans Receivable (Net)	3,111,287	-	3,111,287
Leases Receivable	223,700	-	223,700
Net Pension Asset	112,016	-	112,016
TOTAL ASSETS	66,182,700	48,308,566	114,491,266
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	4,061,165	364,231	4,425,396
LIABILITIES			
Accounts Payable	683,355	162,637	845,992
Salaries Payable	159,761	28,413	188,174
Accrued Interest Payable	155,695	47,567	203,262
Construction Contracts Payable	17,757	10,317	28,074
Deposits Payable	-	59,739	59,739
Compensated Absences	455,733	58,676	514,409
Noncurrent Liabilities:			
Debt Due Within One Year	1,518,580	527,558	2,046,138
Debt Due After One Year	18,939,496	12,819,381	31,758,877
Net Pension Liability	3,215,552	572,006	3,787,558
TOTAL LIABILITIES	25,145,929	14,286,294	39,432,223
DEFERRED INFLOWS OF RESOURCES			
Pensions	3,218,876	160,379	3,379,255
Leases	206,026	-	206,026
TOTAL DEFERRED INFLOWS OF RESOURCES	3,424,902	160,379	3,585,281
NET POSITION			
Net Investment in Capital Assets	23,235,959	29,744,469	52,980,428
Restricted	4,830,581	-	4,830,581
Unrestricted	13,606,494	4,481,655	18,088,149
TOTAL NET POSITION	\$ 41,673,034	\$ 34,226,124	\$ 75,899,158

**CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 2,047,324	\$ 64,366	\$ 46,705	\$ -	\$ (1,936,253)	\$ -	\$ (1,936,253)
Public Safety	3,325,051	529,385	338,000	-	(2,457,666)	-	(2,457,666)
Public Works	4,045,250	9,640	29,820	2,612,484	(1,393,306)	-	(1,393,306)
Culture and Recreation	1,317,601	40,291	1,938	-	(1,275,372)	-	(1,275,372)
Community Development	530,969	95,102	-	-	(435,867)	-	(435,867)
Airport	561,284	271,662	29,524	-	(260,098)	-	(260,098)
Debt Service	901,549	-	-	-	(901,549)	-	(901,549)
Unallocated Depreciation	14,466	-	-	-	(14,466)	-	(14,466)
Total Governmental Activities	12,743,494	1,010,446	445,987	2,612,484	(8,674,577)	-	(8,674,577)
Business-Type Activities:							
Water	1,515,572	1,913,156	-	-	-	397,584	397,584
Wastewater	1,631,804	2,659,927	-	-	-	1,028,123	1,028,123
Storm Water	113,439	127,830	-	-	-	14,391	14,391
Golf	878,076	543,547	6,570	-	-	(327,959)	(327,959)
Recycling and Garbage	853,013	969,257	28,983	-	-	145,227	145,227
Total Business-Type Activities	4,991,904	6,213,717	35,553	-	-	1,257,366	1,257,366
TOTALS	\$ 17,735,398	\$ 7,224,163	\$ 481,540	\$ 2,612,484	(8,674,577)	1,257,366	(7,417,211)
General Revenues:							
Property Taxes					4,891,727	-	4,891,727
Tax Increment					312,381	-	312,381
Franchise Taxes					197,467	84,622	282,089
Lodging and Restaurant Tax					238,375	-	238,375
Intergovernmental					2,736,414	6,617	2,743,031
Investment Income					185,195	123,396	308,591
Gain (Loss) on Sale of Assets					(159,279)	6,950	(152,329)
Miscellaneous					250,051	430	250,481
Total General Revenues					8,652,331	222,015	8,874,346
Capital Asset Transfers					(4,147,650)	4,147,650	-
Transfers					913,049	(913,049)	-
Total General Revenues and Transfers					5,417,730	3,456,616	8,874,346
CHANGE IN NET POSITION					(3,256,847)	4,713,982	1,457,135
NET POSITION - BEGINNING OF YEAR					44,929,881	29,512,142	74,442,023
NET POSITION - END OF YEAR					\$ 41,673,034	\$ 34,226,124	\$ 75,899,158

**CITY OF LITTLE FALLS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General Fund	Economic Development Authority	Economic Development Loan	Debt Service Fund	Equipment Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash, Cash Equivalents, and Investments	\$ 502,218	\$ 1,106,318	\$ 1,069,331	\$ 3,583,964	\$ 2,540,484	\$ 2,975,760	\$ 11,778,075
Property Taxes Receivable	112,245	3,678	-	44,384	-	2,237	162,544
Assessments Receivable	850	-	-	2,984,893	-	24,945	3,010,688
Accounts Receivable	8,893	-	873	690	24,588	396,020	431,064
Interest Receivable	1,246	-	-	-	14,820	22,102	38,168
Due from Other Funds	964,094	-	-	-	-	-	964,094
Due from Other Governments	-	-	-	-	-	319,448	319,448
Inventory	-	-	-	-	-	46,199	46,199
Prepays	174,087	-	-	-	22,287	5,880	202,254
Deposit on Asset	-	-	-	-	11,038	-	11,038
Loans Receivable (Net)	-	244,168	2,174,637	-	-	692,482	3,111,287
Leases Receivable	-	4,010	-	-	-	219,690	223,700
Advances to Other Funds	-	-	90,468	1,980,172	-	-	2,070,640
TOTAL ASSETS	\$ 1,763,633	\$ 1,358,174	\$ 3,335,309	\$ 8,594,103	\$ 2,613,217	\$ 4,704,763	\$ 22,369,199
LIABILITIES							
Accounts Payable	\$ 91,774	\$ -	\$ 48,809	\$ 125,522	\$ 21,427	\$ 395,677	\$ 683,209
Salaries Payable	145,032	-	-	-	-	14,729	159,761
Construction Contracts Payable	-	-	-	-	-	17,757	17,757
Due to Other Funds	-	-	-	-	-	159,287	159,287
Advances from Other Funds	-	-	-	90,468	-	-	90,468
Total Liabilities	236,806	-	48,809	215,990	21,427	587,450	1,110,482
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue:							
Property Taxes	81,843	2,695	-	33,072	-	938	118,548
Special Assessments	850	-	-	2,977,645	-	24,945	3,003,440
Grants Receivable	-	-	-	-	-	167,607	167,607
Other Receivables	-	-	-	-	-	300,000	300,000
Leases	-	3,887	-	-	-	202,139	206,026
Total Deferred Inflows of Resources	82,693	6,582	-	3,010,717	-	695,629	3,795,621
FUND BALANCES							
Nonspendable	174,087	244,291	2,265,105	1,980,172	33,325	762,112	5,459,092
Restricted	-	1,107,301	-	3,387,224	-	489,056	4,983,581
Committed	-	-	-	-	-	1,057,265	1,057,265
Assigned	-	-	1,021,395	-	2,558,465	2,880,362	6,460,222
Unassigned	1,270,047	-	-	-	-	(1,767,111)	(497,064)
Total Fund Balances	1,444,134	1,351,592	3,286,500	5,367,396	2,591,790	3,421,684	17,463,096
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,763,633	\$ 1,358,174	\$ 3,335,309	\$ 8,594,103	\$ 2,613,217	\$ 4,704,763	\$ 22,369,199

**CITY OF LITTLE FALLS, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balances - Governmental Funds \$ 17,463,096

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds:

Capital Assets	\$ 72,079,909	
Accumulated Depreciation	<u>(28,428,351)</u>	
Capital Assets (Net)		43,651,558

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds Balance Sheet:

Bond Principal Payable	(19,261,000)	
Note Principal Payable	(450,000)	
Financing Arrangement Principal Payable	(392,801)	
Bond Premium, Net of Accumulated Amortization	(144,683)	
Capital Leases Payable	(167,115)	
Compensated Absences	<u>(455,733)</u>	
		(20,871,332)

The net pension asset/liability and related deferred outflows/inflows represent the allocation of pension obligations to the City. Such balances are not reported in the funds:

Net Pension Asset	112,016	
Net Pension Liability	(3,215,552)	
Deferred Outflows - Pensions	4,061,165	
Deferred Inflows - Pensions	<u>(3,218,876)</u>	
		(2,261,247)

Interest on long-term debt is recognized as an expenditure when due and payable in the governmental funds. Therefore, interest is not accrued in the governmental funds Balance Sheet, but is accrued in the Statement of Net Position:

(155,695)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds:

Property Taxes Receivable	118,548	
Special Assessments Receivable	3,003,440	
Grants Receivable	167,607	
Other Receivables	<u>300,000</u>	
		3,589,595

Internal service funds are used by management to charge the cost of its self-insurance and severance activities to individual funds. The assets and liabilities of these funds are included in the governmental activities in the Statement of Net Position.

257,059

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 41,673,034

CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Economic Development Authority	Economic Development Loan	Debt Service Fund	Equipment Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 3,376,186	\$ 109,628	\$ -	\$ 1,247,819	\$ -	\$ 383,145	\$ 5,116,778
Tax Increment	-	-	-	305,765	6,616	-	312,381
Franchise Taxes	-	-	-	-	-	197,467	197,467
Special Assessments	-	-	-	776,555	-	-	776,555
Licenses, Permits, and Fees	350,467	-	-	-	-	33,000	383,467
Intergovernmental	3,120,306	-	-	-	447,497	779,785	4,347,588
Charges for Services	235,092	50	-	-	-	311,953	547,095
Fines	17,832	-	-	-	-	-	17,832
Investment Income (Loss)	22,563	8,917	8,190	94,916	57,137	(6,528)	185,195
Loan Collections	-	9,220	52,555	-	-	277	62,052
Miscellaneous	22,889	18	-	31	75,531	260,713	359,182
TOTAL REVENUES	<u>7,145,335</u>	<u>127,833</u>	<u>60,745</u>	<u>2,425,086</u>	<u>586,781</u>	<u>1,959,812</u>	<u>12,305,592</u>
EXPENDITURES							
Current:							
General Government	1,454,621	-	-	-	504,803	62,070	2,021,494
Public Safety	3,328,623	-	-	-	-	148,886	3,477,509
Public Works	1,573,743	-	-	67,500	-	269,192	1,910,435
Culture and Recreation	87,503	-	-	-	-	722,294	809,797
Community Development	-	67,239	60,007	-	-	314,012	441,258
Airport	-	-	-	-	-	318,010	318,010
Capital Outlay	26,906	-	-	1,669	572,863	4,373,479	4,974,917
Debt Service:							
Principal	-	-	-	1,415,000	83,388	-	1,498,388
Interest and Other Charges	-	-	-	759,925	25,011	-	784,936
TOTAL EXPENDITURES	<u>6,471,396</u>	<u>67,239</u>	<u>60,007</u>	<u>2,244,094</u>	<u>1,186,065</u>	<u>6,207,943</u>	<u>16,236,744</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	673,939	60,594	738	180,992	(599,284)	(4,248,131)	(3,931,152)
OTHER FINANCING SOURCES (USES)							
Lease Issuance	-	-	-	-	188,912	-	188,912
Bond Issuance	-	-	-	6,965,000	-	-	6,965,000
Issuance of Debt	-	-	-	-	169,476	81,596	251,072
Premium on Bond Issuance	-	-	-	34,466	-	-	34,466
Loan Principle Payout	-	(59,000)	(78,316)	-	-	(478)	(137,794)
Transfers In	928,450	-	24,119	-	422,600	8,257,514	9,632,683
Transfers Out	(1,742,786)	(26,630)	-	(6,705,898)	(74,000)	(291,730)	(8,841,044)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(814,336)</u>	<u>(85,630)</u>	<u>(54,197)</u>	<u>293,568</u>	<u>706,988</u>	<u>8,046,902</u>	<u>8,093,295</u>
NET CHANGE IN FUND BALANCES	(140,397)	(25,036)	(53,459)	474,560	107,704	3,798,771	4,162,143
FUND BALANCES - BEGINNING	<u>1,584,531</u>	<u>1,376,628</u>	<u>3,339,959</u>	<u>4,892,836</u>	<u>2,484,086</u>	<u>(377,087)</u>	<u>13,300,953</u>
FUND BALANCES - ENDING	<u>\$ 1,444,134</u>	<u>\$ 1,351,592</u>	<u>\$ 3,286,500</u>	<u>\$ 5,367,396</u>	<u>\$ 2,591,790</u>	<u>\$ 3,421,684</u>	<u>\$ 17,463,096</u>

**CITY OF LITTLE FALLS, MINNESOTA
RECONCILIATION OF CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 4,162,143

Amounts reported for governmental activities in the Statement of Activities are different due to the following:

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

Capital Outlay Capitalized	\$ 4,564,105	
Depreciation Expense	(2,032,913)	
Amortization Expense	(25,056)	
Transfer of Capital Assets	(4,229,246)	
Loss on Disposal of Assets	<u>(283,208)</u>	
		(2,006,318)

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts below detail the effects of these differences in the treatment of long term debt and related items:

Bond Principal Repayments	1,415,000	
Financing Arrangement Principal Repayments	61,591	
Bond Issuance	(6,965,000)	
Financing Arrangement Issuance	(169,476)	
Issuance of Debt	(81,596)	
Transfer of Debt	81,596	
Premium on Bond Issuance	(34,466)	
Amortization of Bond Premium	22,489	
Lease Issuance	(188,912)	
Lease Principal Repayments	<u>21,797</u>	
		(5,836,977)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds only when it is due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due: (11,498)

Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period:

Property Taxes	13,324	
Special Assessments	814,492	
Grants Receivable	2,062	
Other Receivables	<u>300,000</u>	
		1,129,878

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 the governmental funds:

Compensated Absences	(66,724)
----------------------	----------

Certain liabilities do not represent the impending use of current resources.

Therefore, the change in such liabilities and related deferrals are not reported in the governmental funds:

Net Pension Asset/Liability and Deferred Outflows/Inflows of Resources	(594,494)
--	-----------

Internal service funds are used by management to charge the costs of its self-insurance and severance activities to individual funds. The net revenue (expense) of these funds is reported in the governmental activities in the Statement of Net Position.

(32,857)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (3,256,847)

CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities					Governmental Activities
	Water Utility	Wastewater Utility	Recycling and Garbage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current Assets						
Cash, Cash Equivalents, and Investments	\$ 3,700,986	\$ 3,187,881	\$ -	\$ 100,488	\$ 6,989,355	\$ 394,535
Accounts Receivable	204,976	363,359	147,001	42,992	758,328	27,480
Interest Receivable	12,823	22,991	-	4,218	40,032	5,250
Due from Other Funds	-	159,287	-	-	159,287	-
Inventory	21,807	-	-	10,916	32,723	-
Prepays	13,963	22,710	95	3,900	40,668	13,448
Total Current Assets	3,954,555	3,756,228	147,096	162,514	8,020,393	440,713
Noncurrent Assets						
Capital Assets Not Being Depreciated/Amortized	403,454	181,721	-	759,440	1,344,615	-
Capital Assets Being Depreciated/Amortized (Net)	9,461,302	31,730,960	-	554,531	41,746,793	-
Total Noncurrent Assets	9,864,756	31,912,681	-	1,313,971	43,091,408	-
TOTAL ASSETS	13,819,311	35,668,909	147,096	1,476,485	51,111,801	440,713
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	125,075	159,696	-	79,460	364,231	-
LIABILITIES						
Current Liabilities						
Accounts Payable	16,765	57,237	52,841	35,794	162,637	146
Salaries Payable	10,187	15,443	135	2,648	28,413	-
Construction Contracts Payable	-	-	-	10,317	10,317	-
Deposits Payable	59,739	-	-	-	59,739	-
Due to Other Funds	-	-	65,698	898,396	964,094	-
Accrued Interest	-	47,567	-	-	47,567	-
Compensated Absences Due Within One Year	25,278	33,398	-	-	58,676	-
Debt Due Within One Year	-	483,000	-	44,558	527,558	-
Total Current Liabilities	111,969	636,645	118,674	991,713	1,859,001	146
Noncurrent Liabilities						
Advances from Other Funds	1,142,083	838,089	-	-	1,980,172	-
Debt Due After One Year	-	12,740,736	-	78,645	12,819,381	-
Net Pension Liability	196,798	252,671	-	122,537	572,006	-
Total Noncurrent Liabilities	1,338,881	13,831,496	-	201,182	15,371,559	42,477
TOTAL LIABILITIES	1,450,850	14,468,141	118,674	1,192,895	17,230,560	42,623
DEFERRED INFLOWS OF RESOURCES						
Pensions	55,178	70,844	-	34,357	160,379	-
NET POSITION						
Net Investment in Capital Assets	9,864,756	18,688,945	-	1,190,768	29,744,469	-
Unrestricted	2,573,602	2,600,675	28,422	(862,075)	4,340,624	398,090
TOTAL NET POSITION	\$ 12,438,358	\$ 21,289,620	\$ 28,422	\$ 328,693	34,085,093	\$ 398,090
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.					141,031	
Net Position - Business-type Activities					\$ 34,226,124	

CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities					Governmental Activities
	Water Utility	Wastewater Utility	Recycling and Garbage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
SALES AND COST OF SALES						
Sales	\$ -	\$ -	\$ -	\$ 165,958	\$ 165,958	\$ -
Cost of Sales	-	-	-	(121,594)	(121,594)	-
GROSS PROFIT	-	-	-	44,364	44,364	-
OPERATING REVENUES						
Charges for Services	1,896,165	2,626,075	966,600	492,269	5,981,109	-
Other Income	-	-	-	-	-	253,179
TOTAL OPERATING REVENUES	<u>1,896,165</u>	<u>2,626,075</u>	<u>966,600</u>	<u>492,269</u>	<u>5,981,109</u>	<u>253,179</u>
TOTAL GROSS PROFIT AND OPERATING REVENUES	1,896,165	2,626,075	966,600	536,633	6,025,473	253,179
OPERATING EXPENSES						
Wages and Benefits	499,351	522,421	3,366	464,126	1,489,264	3,028
Materials and Supplies	224,562	96,264	683	83,097	404,606	-
Repairs and Maintenance	146,066	147,499	-	50,680	344,245	-
Professional Services	43,992	35,234	833,908	97,328	1,010,462	5,749
Insurance	-	-	-	5,530	5,530	452,121
Utilities	175,880	329,637	11,531	34,597	551,645	-
Dues and Subscriptions	2,098	3,910	-	7,490	13,498	-
Other Services and Charges	56,777	25,126	3,076	43,432	128,411	475
Depreciation/Amortization	352,906	314,021	67	73,788	740,782	-
TOTAL OPERATING EXPENSES	<u>1,501,632</u>	<u>1,474,112</u>	<u>852,631</u>	<u>860,068</u>	<u>4,688,443</u>	<u>461,373</u>
NET OPERATING INCOME (LOSS)	394,533	1,151,963	113,969	(323,435)	1,337,030	(208,194)
NONOPERATING INCOME (EXPENSE)						
Taxes	-	-	-	84,622	84,622	-
Intergovernmental	6,571	31	28,983	15	35,600	-
Connection Fees	13,625	13,625	-	-	27,250	-
Investment Income (Loss)	50,152	64,810	477	7,957	123,396	10,190
Gain (Loss) on Sale of Assets	-	6,950	-	-	6,950	-
Miscellaneous	3,366	20,227	2,657	19,720	45,970	-
Interest and Other Charges	-	(133,506)	-	(4,194)	(137,700)	-
TOTAL NONOPERATING INCOME (EXPENSE)	<u>73,714</u>	<u>(27,863)</u>	<u>32,117</u>	<u>108,120</u>	<u>186,088</u>	<u>10,190</u>
CHANGE IN NET POSITION PRIOR TO TRANSFERS	468,247	1,124,100	146,086	(215,315)	1,523,118	(198,004)
TRANSFERS						
Interfund Capital Asset Transfers	2,465,999	1,681,651	-	-	4,147,650	-
Operating Transfers In	-	-	-	25,000	25,000	164,185
Operating Transfers Out	(435,001)	(393,223)	(126,914)	(25,686)	(980,824)	-
NET TRANSFERS	<u>2,030,998</u>	<u>1,288,428</u>	<u>(126,914)</u>	<u>(686)</u>	<u>3,191,826</u>	<u>164,185</u>
CHANGE IN NET POSITION	2,499,245	2,412,528	19,172	(216,001)	4,714,944	(33,819)
NET POSITION - BEGINNING OF YEAR	<u>9,939,113</u>	<u>18,877,092</u>	<u>9,250</u>	<u>544,694</u>		<u>431,909</u>
NET POSITION - END OF YEAR	<u>\$ 12,438,358</u>	<u>\$ 21,289,620</u>	<u>\$ 28,422</u>	<u>\$ 328,693</u>		<u>\$ 398,090</u>

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

(962)

Change in Net Position - Business-type Activities

\$ 4,713,982

CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities					Governmental Activities
	Water Utility	Wastewater Utility	Recycling and Garbage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Other Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,442
Cash Received from Customers	1,878,623	2,541,925	954,990	651,322	6,026,860	-
Cash Paid to Suppliers	(694,660)	(653,169)	(908,546)	(428,385)	(2,684,760)	(407,444)
Cash Paid to Employees	(437,352)	(452,285)	(3,731)	(427,161)	(1,320,529)	-
Claims Paid	-	-	-	-	-	(51,770)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	746,611	1,436,471	42,713	(204,224)	2,021,571	(138,772)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental	24	31	28,983	84,637	113,675	-
Nonoperating Receipts	16,991	33,852	2,657	19,720	73,220	-
Net Operating Subsidies and Transfers from (to) Other Funds	(435,001)	(448,806)	(74,830)	160,232	(798,405)	164,185
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(417,986)	(414,923)	(43,190)	264,589	(611,510)	164,185
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental and Other	6,547	-	-	-	6,547	-
Purchases of Capital Assets	(57,084)	(14,221)	-	(280,564)	(351,869)	-
Proceeds from Sale of Capital Assets	-	6,950	-	-	6,950	-
Payments on Interfund Advances	1,038,000	734,000	-	-	1,772,000	-
Payments on Debt Principal	-	(478,000)	-	(27,042)	(505,042)	-
Cash Paid for Interest	-	(135,013)	-	(4,194)	(139,207)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	987,463	113,716	-	(311,800)	789,379	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from Sale of Investments	225,000	-	-	-	225,000	200,000
Purchase of Investments	-	(385,000)	-	-	(385,000)	(200,000)
Investment Income (Loss)	(205,108)	384,483	477	(6,373)	173,479	4,690
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	19,892	(517)	477	(6,373)	13,479	4,690
Net Change in Cash and Cash Equivalents	1,335,980	1,134,747	-	(257,808)	2,212,919	30,103
Cash and Cash Equivalents - Beginning of Year	1,433,228	1,030,006	-	(89,323)	2,373,911	364,432
Cash and Cash Equivalents - End of Year	\$ 2,769,208	\$ 2,164,753	\$ -	\$ (347,131)	\$ 4,586,830	\$ 394,535
Investments	931,778	1,023,128	-	447,619	2,402,525	-
Total Cash, Cash Equivalents, and Investments	\$ 3,700,986	\$ 3,187,881	\$ -	\$ 100,488	\$ 6,989,355	\$ 394,535

See accompanying notes.

CITY OF LITTLE FALLS, MINNESOTA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities					Governmental
	Water Utility	Wastewater Utility	Recycling and Garbage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO						
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	\$ 394,533	\$ 1,151,963	\$ 113,969	\$ (323,435)	\$ 1,337,030	\$ (208,194)
Adjustments to Reconcile Net Operating Income (Loss)						
to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	352,906	314,021	67	73,788	740,782	-
Changes in Assets, Liabilities, and Deferrals:						
Accounts Receivable	(18,548)	(84,150)	(11,610)	(6,905)	(121,213)	67,263
Inventory	(21,807)	-	-	16,354	(5,453)	-
Prepays	8,074	(12,408)	-	-	(4,334)	(210)
Deposit on Asset	28,900	-	-	-	28,900	-
Accounts Payable	(60,452)	(3,091)	(59,348)	(991)	(123,882)	(659)
Salaries Payable	(1,840)	1,009	(365)	(2,436)	(3,632)	-
Deposits Payable	1,006	-	-	-	1,006	-
Net Pension Liability	(23,870)	(74,963)	-	(11,615)	(110,448)	-
Deferred Outflows or Resources - Pensions	36,015	75,742	-	18,515	130,272	-
Deferred Inflows or Resources - Pensions	52,126	66,312	-	32,501	150,939	-
Compensated Absences	(432)	2,036	-	-	1,604	-
Severance Payable	-	-	-	-	-	3,028
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 746,611	\$ 1,436,471	\$ 42,713	\$ (204,224)	\$ 2,021,571	\$ (138,772)

**CITY OF LITTLE FALLS, MINNESOTA
FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 111,069
LIABILITIES	
Accounts Payable	<u>1,232</u>
FIDUCIARY NET POSITION	
Fiduciary Net Position - Held for Others	<u><u>\$ 109,837</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial Funds</u>
ADDITIONS	
Contributions and Donations	\$ 70,472
DEDUCTIONS	
Culture and Recreation	<u>48,148</u>
CHANGE IN FIDUCIARY NET POSITION	22,324
FIDUCIARY NET POSITION - BEGINNING OF YEAR	<u>87,513</u>
FIDUCIARY NET POSITION - END OF YEAR	<u><u>\$ 109,837</u></u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Little Falls, Minnesota (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The City of Little Falls was incorporated in 1889 and operates as a Home Rule Charter City under the “Mayor-Council Plan” form of government. Under this plan, the City is governed by an elected mayor and seven-member council.

1.A. FINANCIAL REPORTING ENTITY

The City’s financial reporting entity is comprised of the primary governmental unit of the City of Little Falls.

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, and includes all component units of which the City appointed a voting majority of the units’ board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units’ funds are blended into those of the City’s by appropriate activity type to compose the primary government presentation. Currently, the City has the following blended component units:

Little Falls/Morrison County Airport Commission

The Little Falls/Morrison County Airport Commission is a joint powers organization established pursuant to Law 1945, Chapter 303, and an agreement between the City of Little Falls and Morrison County dated January 6, 1965. The above authority provides that the City and County shall equally support the Commission, based on the Commission’s annual budget estimate and related request for funds.

The activity and year-end balances of the Airport Commission are accounted for as a special revenue fund by the City of Little Falls.

Economic Development Authority of the City of Little Falls

The Authority was established in 1991 pursuant to the provisions of Minnesota Statutes Section 469.090 to 469.108 to promote and provide incentives for economic development, and to preserve and create jobs, enhance the City’s tax base and promote the general welfare of the people. Any bonds sold or taxes levied by the Authority are subject to approval by the Little Falls City Council, who levies on their behalf.

The financial activity of the Authority is performed by the City of Little Falls and treated as routine City business.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

Related Organizations

The Little Falls Fire Relief Association is organized as a non-profit organization by its members to provide benefits to such members in accordance with Minnesota Statutes. Its Board of Directors is appointed by the membership of the organization. The City has no significant influence over the management, budget or policies of the Association. All funding is conducted in accordance with Minnesota Statutes, whereby State aids flow through the City to the Association.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The City reports the following major governmental funds:

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

The *Economic Development Authority Fund* is a special revenue fund used to account for resources and payments related to economic and community development functions. For the year ended December 31, 2023, the City has elected this as a major fund.

The *Economic Development Loan Fund* is a special revenue fund used to account for resources and payments related to economic and community development loan functions. For the year ended December 31, 2023, the City has elected this as a major fund.

The *Debt Service Fund* accounts for the accumulation of financial resources for the payment of interest and principal on general long-term debt of the City other than debt service payments made by enterprise funds. Ad valorem taxes, special assessments, and tax increment financing are used for the payment of principal and interest on the City's indebtedness.

The *Equipment Reserve Fund* is a capital project fund used to account for the activities associated with various equipment purchases made by the City. For the year ended December 31, 2023, the City has elected this as a major fund.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.B. BASIS OF PRESENTATION (Continued)

The City reports the following major proprietary funds:

The *Water Utility Fund* accounts for business-like activities related to the operation of a water distribution system provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

The *Wastewater Utility Fund* accounts for business-like activities related to the operation of a sanitary sewer collection system provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

The *Recycling and Garbage Fund* accounts for business-like activities related to the operation of a recycling and garbage collection system provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector.

Additionally, the government reports the following nonmajor fund types:

The *Special Revenue Funds* account for funds received by the City with a specific purpose, including expendable trust funds.

The *Capital Project Funds* account for financial resources to be used for the acquisition or construction of capital projects (other than those financed by proprietary funds).

The *Enterprise Funds* are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

The *Internal Service Funds* account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. The City maintains Employee Severance Pay, Liability Insurance, and Health Insurance Internal Service Funds.

The *Custodial Fund* is used to account for financial activity of assets that are being held in a fiduciary capacity on behalf of outside organizations.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the “economic resources” measurement focus as defined in the second bullet point below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- All governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

- The government-wide financial statements, proprietary funds, and fiduciary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and fiduciary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the “accrual basis” of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the “modified accrual” basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary and fiduciary funds utilize the accrual basis of accounting.

1.D BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Economic Development Authority Funds. The appropriated budgets are prepared by fund, function, and department. The City of Little Falls’ department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

1.E. USE OF ESTIMATES

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

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY

Cash and Cash Equivalents

For purposes of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings, certificates of deposit, and money market savings accounts for the City. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand, savings, certificates of deposit, and money market savings accounts.

See Note 2.A. for additional information related to cash and cash equivalents.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY (Continued)

Investments

Investments are stated at their fair value as determined in accordance with the fair value hierarchy. Short-term investments are reported at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Certificates of deposit, if any, are stated at cost, plus accrued interest, which approximates fair market value. Net appreciation (depreciation) in fair value of investments includes net unrealized and realized gains and losses. Purchases and sales of securities are recorded on a trade-date basis.

See Note 2.A. for additional information related to Cash, Cash Equivalents, and Investments.

Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans are reported as “advances to and from other funds.” Interfund receivables and payables between funds within governmental activities, as well as interfund receivables and payables between funds within business-type activities, are eliminated in the Statement of Net Position. See Note 2.E. for details of interfund transactions, including receivables and payables at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable and not deemed necessary at year end. Major receivable balances for the governmental activities include taxes, special assessments, loans, and charges for services. Business-type activities report utility charges as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, assessments, other intergovernmental revenues, loans, and fines and charges for services since they are usually both measurable and available. Revenues collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. No allowances are deemed necessary at year end.

Leases Receivable

Lease receivables are determined based on future lease payments to be received under each corresponding lease agreement over the lease term, discounted using the interest rate applied to the leasing arrangement. If not defined in the lease agreement, implicit interest rates are determined based on the estimated incremental borrowing rate. Collections under the leasing arrangements are recorded as a reduction to the corresponding lease receivable, as well as lease interest revenues.

Upon initial execution of lease, a corresponding deferred inflow of resources balance is recorded. This balance is amortized on a straight-line basis over the term of the lease, resulting in the recognition of lease revenues.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY (Continued)

Inventories

Inventory is valued at the lower of average cost or market based on physical counts. Inventory in the Airport Operating Fund consists of fuel held for consumption and is equally offset by a nonspendable fund balance classification. The cost of inventory is recorded as an expense when purchased and adjusted at year-end.

Prepaid Expenditures/Expenses

Prepays represent expenditures/expenses paid during the current year to be recognized in future periods.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and must have an estimated useful life in excess of five years.

The range of estimated useful lives by type of asset is as follows:

Land Improvements	10-50 years
Infrastructure	50 years
Buildings and Structures	10-50 years
Mains and Wells	8-50 years
Plant and Towers	20-50 years
Machinery and Equipment	5-30 years
Vehicles	5-15 years

Government-wide Statements

In the government-wide financial statements, capital outlay expenditures are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated acquisition value at the date of donation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

Vacation Pay – The City compensates all employees upon termination for unused vacation. Employees may receive compensation for up to a maximum of 240 hours (for Little Falls Supervisors union members the maximum is 280 hours). Such pay is not accrued as an expense in the governmental fund financial statements since it does not require current available resources.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY (Continued)

Accrued Severance

Sick Pay – The City pays eligible employees 25 to 30 percent of their unused sick pay upon resignation or retirement. To qualify for such severance, employees must either have 20 years of service or both 10 years of service and qualify to receive PERA retirement benefits. The liability for sick pay at December 31, 2023 totals \$42,477.

The liability of the severance plans and related transactions are reported in an Internal Service Fund in the fund financial statements. In the government-wide financial statements, the liability is allocated between the governmental and business type activities.

Long-Term Debt

The accounting treatment of long-term debt and other long-term obligations depends on whether the corresponding assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Net Pension Asset/Liability

The net pension asset represents the Little Falls Fire Department Relief Association's net pension asset as of the most recent actuarial valuation date. The net pension liability represents the City's allocation of its pro-rata share of the Statewide pension plans administered by the Public Employees Retirement Administration.

PERA

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. This element represents a consumption of net position that applies to future periods, and therefore, will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows of resources in the government-wide and proprietary fund Statements of Net Position in relation to the activity of the pension funds in which the City employees participate.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY (Continued)

In addition to liabilities, the Statements of Net Position and Balance Sheet report a separate section for deferred inflows of resources. This element represents an acquisition of net position or fund balance that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The City reports property taxes, special assessments, and grants and other receivables as deferred inflows of resources in the governmental fund financial statements, in accordance with the modified accrual basis of accounting. Accordingly, these amounts are deferred and recognized as inflows of resources in the period that they become available. In addition, the City reports deferred inflows of resources in the government-wide and proprietary fund Statements of Net Position in relation to the activity of pension funds in which the City employees participate. Finally, the City also reports deferred inflows of resources in both the government-wide and fund level financial statements, in relation to the leasing activities in which the City is the lessor.

See Note 3 and 5 for additional information pertaining to the deferred outflows and deferred inflows recorded to account for pension activities.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – The portion of net position for which use is constrained by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted – Remaining balance of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Statements

Governmental Fund Financial Statements – In the fund financial statements, governmental funds report fund balances as either nonspendable, restricted, committed, assigned, or unassigned. When the City incurs an expenditure for which it may use either restricted or unrestricted fund balances, it uses restricted fund balances first unless unrestricted fund balances will have to be returned because they were not used. When the City incurs an expenditure for purposes for which amounts in any unrestricted fund balance classification could be used, it uses fund balances in the following order: Committed, assigned, unassigned.

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. The nonspendable fund balances at December 31, 2023 consist of prepaid expenditures, inventory, loans receivable, lease receivable, and long-term advances to other funds.

Restricted – That portion of fund balance which is not available for appropriation or which has been legally segregated for a specific purpose.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Council, which is the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY (Continued)

Assigned – The City Council, through policy, authorizes the Finance Officer and/or City Administrator to assign fund balance, reflecting the City’s intended use of funds. Amounts will be assigned for a specific purpose and may be changed by the authorized assignor.

Unassigned – This classification represents fund balance that has not been allocated to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Deficit fund equity in the City’s governmental funds is reported as a deficit unassigned fund balance.

The City has formally adopted a policy under which it strives to maintain minimum unassigned General Fund and Special Revenue fund balances of 35-50 percent of the budgeted operating expenditures.

See Note 2.F. for additional disclosures.

Proprietary Fund Financial Statements – Proprietary fund equity is classified the same as in the government-wide statements, as described on the previous page.

1.G. REVENUES, EXPENDITURES, AND EXPENSES

Property Tax

Under state law, municipalities are limited in their ability to levy a property tax. The City levies its property tax for the subsequent year during the month of December. Morrison County is the collecting agency for the levy and remits the collections to the City. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

The last day the City can certify a tax levy to the County for collection the following year occurs in December. The County creates the tax list for all taxable property in the City and applies the applicable tax rate to the tax capacity of individual properties to arrive at the actual tax for each property. The County also collects all special assessments, except for certain prepayments paid directly to the City. The County collects all taxes and assessments, except as noted above. The County mails copies of all real estate and personal property tax statements. Each year, property owners are required to pay one half of their real estate taxes by May 15 and the balance by October 15. Penalties and interest are assessed to property owners who do not pay their property taxes and special assessments by the due dates.

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

Special Assessments

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Within the government-wide financial statements, the City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.G. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Within the governmental fund financial statements, the revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments are collected by the County and remitted by December 31st (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and noncapital financing or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character	Current (further classified by Function)
	Capital Outlay
	Debt Service
Proprietary Funds - By Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds, as well as all interfund transfers between individual proprietary funds, have been eliminated. See additional information at Note 2.E.

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, deferred outflows/inflows of resources, equity, revenues, and expenditures/expenses.

2.A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council. Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds (100% if collateral pledged is irrevocable standby letters of credit issued by the Federal Home Loan Bank). Authorized collateral in lieu of a corporate surety bond includes:

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

- 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;
- A general obligation of a state or local government, with taxing powers, rated “A” or better;
- A revenue obligation of a state or local government, with taxing powers, rated “AA” or better;
- Unrated general obligation securities of a local government, with taxing powers, pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letter of credit issued by a Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank’s public debt is rated “AA” or better by Moody’s or Standard and Poor’s; or
- Time deposits 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.

At December 31, 2023, the City’s deposits, including certificates of deposit, were not exposed to custodial credit risk. The City’s deposits were sufficiently covered by federal depository insurance or by collateral held by the government’s agent in the government’s name.

Investments

The City may also invest idle funds as authorized by Minnesota Statutes as follows: direct obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City does not have any investment policies that would further limit investment choices.

The Minnesota Municipal Money Market Fund (the 4M Fund) is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The fair value of the position in the pool is the same as the value of the pool shares. The investment in the Minnesota Municipal Money Market Fund is not subject to the credit risk classifications as noted in paragraph 9 of the GASB Statement No. 72.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investment balances at December 31, 2023 are as follows:

Investment Type	S & P's Credit Rating	Fair Value Level	Fair Value	Investment Maturities (in Years)		
				Less Than 1	1 - 5	6 - 10
<i>Brokered Investments:</i>						
Money Market Funds	N/R	Level 1	\$ 507,618	\$ 507,618	\$ -	\$ -
Certificates of Deposit	N/R	Level 2	4,573,932	484,718	3,763,908	325,306
<i>Pooled Investments:</i>						
Minnesota Municipal Money Market Fund	N/R	N/A	6,434,806	6,434,806	-	-
Totals			\$ 11,516,356	\$ 7,427,142	\$ 3,763,908	\$ 325,306

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

- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and, where applicable, indicate associated credit risk. Minnesota Statutes limit the City's investments.
- Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy to address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.
- Concentration of Credit Risk is the risk associated with the magnitude of the City's investments (considered five percent or more) in the investments of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City has no formal policy limiting the amounts that may be invested in any one issuer.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has no formal policy to address interest rate risk.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United State of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See the table above for the City's recurring fair value measurements as of December 31, 2023.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.A. CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Deposits and Investments Summary

The following is a summary of total cash, cash equivalents and investments:

Carrying Amount of Cash and Cash Equivalents	\$ 7,756,678
Investments	<u>11,516,356</u>
 Total Cash, Cash Equivalents, and Investments	 <u>\$ 19,273,034</u>

A reconciliation of cash, cash equivalents and investments are as follows:

Government-wide Cash, Cash Equivalents, and Investments	\$ 19,161,965
Fiduciary - Agency Fund	<u>111,069</u>
 Total Cash, Cash Equivalents, and Investments	 <u>\$ 19,273,034</u>

2.B. LEASE RECEIVABLES

The City has executed various arrangements under which the City leases property to external parties. A summary of the pertinent terms for these leasing arrangements, as well as the corresponding lease receivables, is presented below:

Governmental Activities

Description	Original Amount	Total Annual Lease Payment	Interest Rate(s)	Maturity Date	Remaining Amount
Cell Tower Lease	\$ 112,051	\$8,752-23,281	3.25%	5/31/2030	\$ 100,121
Cell Tower Lease	102,181	\$15,999-23,928	8.50%	7/31/2028	95,789
Land Lease	5,441	\$855	3.25%	12/31/2028	4,010
Land Lease	10,583	\$1,663	3.25%	12/31/2028	7,800
Land Lease	18,230	\$2,865	3.25%	12/31/2028	13,436
Airport Land Lease	3,083	\$355	3.25%	12/31/2031	<u>2,544</u>
Total Governmental Activities Lease Receivables					<u>\$ 223,700</u>

During the year ended December 31, 2023, the City recognized revenues from leasing activities under the arrangements above within governmental activities in the amount of \$34,721.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.C. CAPITAL ASSETS

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

	Balance at 01/01/22	Additions	Disposals	Transfers	Balance at 12/31/22
<i>Governmental Activities:</i>					
Capital Assets not Being Depreciated or Amortized					
Land	\$ 5,337,417	\$ 31,651	\$ (152,600)	\$ -	\$ 5,216,468
Construction In Progress	7,237,285	3,566,599	(121,607)	(8,916,862)	1,765,415
Total Capital Assets not Being Depreciated or Amortized	12,574,702	3,598,250	(274,207)	(8,916,862)	6,981,883
Capital Assets Being Depreciated and Amortized					
Land Improvements and Infrastructure	47,761,114	231,186	(18,482)	4,601,846	52,575,664
Buildings and Structures	6,220,828	-	-	-	6,220,828
Machinery and Equipment	2,713,910	545,757	(60,180)	31,975	3,231,462
Vehicles	3,061,227	-	(233,862)	-	2,827,365
Intangibles	-	-	-	53,795	53,795
Leased Equipment	-	188,912	-	-	188,912
Total Capital Assets Being Depreciated and Amortized	59,757,079	965,855	(312,524)	4,687,616	65,098,026
Less: Accumulated Depreciation					
Land Improvements and Infrastructure	(19,345,871)	(1,494,830)	18,482	-	(20,822,219)
Buildings and Structures	(3,180,567)	(134,495)	-	-	(3,315,062)
Machinery and Equipment	(1,746,272)	(215,206)	51,179	-	(1,910,299)
Vehicles	(2,401,195)	(188,382)	233,862	-	(2,355,715)
Less: Accumulated Amortization					
Leased Equipment	-	(25,056)	-	-	(25,056)
Total Accumulated Depreciation and Amortization	(26,673,905)	(2,057,969)	303,523	-	(28,428,351)
Total Capital Assets Being Depreciated and Amortized, Net	33,083,174	(1,092,114)	(9,001)	4,687,616	36,669,675
Capital Assets, Net	<u>\$ 45,657,876</u>	<u>\$ 2,506,136</u>	<u>\$ (283,208)</u>	<u>\$ (4,229,246)</u>	<u>\$ 43,651,558</u>

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.C. CAPITAL ASSETS (Continued)

Depreciation and Amortization expense is charged to functions/programs of the City as follows:

Governmental Activities:

General Government	\$ 43,529
Public Safety	309,108
Public Works	1,242,801
Culture and Recreation	151,606
Community Development	85,265
Airport Operations	211,194
Unallocated	<u>14,466</u>

Total Depreciation and Amortization Expense	<u>\$ 2,057,969</u>
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CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.C. CAPITAL ASSETS (Continued)

	Balance at 01/01/22	Additions	Disposals	Transfers	Balance at 12/31/22
<i>Business-Type Activities:</i>					
Capital Assets not Being					
Depreciated or Amortized					
Land	\$ 995,355	\$ 45,142	\$ -	\$ -	\$ 1,040,497
Construction In Progress	<u>22,806,645</u>	<u>232,326</u>	<u>-</u>	<u>(22,806,645)</u>	<u>232,326</u>
Total Capital Assets not Being					
Depreciated or Amortized	23,802,000	277,468	-	(22,806,645)	1,272,823
Capital Assets Being					
Depreciated and Amortized					
Land Improvements	1,783,575	-	-	-	1,783,575
Buildings and Structures	22,514,390	33,142	-	22,925,894	45,473,426
Mains and Lines	13,549,746	23,942	-	4,109,997	17,683,685
Machinery and Equipment	3,632,661	12,800	-	-	3,645,461
Vehicles	293,671	-	(40,000)	-	253,671
Leased Equipment	<u>56,958</u>	<u>14,834</u>	<u>-</u>	<u>-</u>	<u>71,792</u>
Total Capital Assets Being					
Depreciated and Amortized	41,831,001	84,718	(40,000)	27,035,891	68,911,610
Less: Accumulated Depreciation					
Land Improvements	(1,711,873)	(11,117)	-	-	(1,722,990)
Buildings and Structures	(13,595,422)	(350,704)	-	-	(13,946,126)
Mains and Lines	(8,479,454)	(211,029)	-	-	(8,690,483)
Machinery and Equipment	(2,460,211)	(129,964)	-	-	(2,590,175)
Vehicles	(143,416)	(23,881)	40,000	-	(127,297)
Less: Accumulated Amortization					
Leased Equipment	<u>(1,867)</u>	<u>(14,087)</u>	<u>-</u>	<u>-</u>	<u>(15,954)</u>
Total Accumulated					
Depreciation and Amortization	<u>(26,392,243)</u>	<u>(740,782)</u>	<u>40,000</u>	<u>-</u>	<u>(27,093,025)</u>
Total Capital Assets Being					
Depreciated and Amortized, Net	<u>15,438,758</u>	<u>(656,064)</u>	<u>-</u>	<u>27,035,891</u>	<u>41,818,585</u>
Capital Assets, Net	<u>\$ 39,240,758</u>	<u>\$ (378,596)</u>	<u>\$ -</u>	<u>\$ 4,229,246</u>	<u>\$ 43,091,408</u>

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.C. CAPITAL ASSETS (Continued)

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

Business-type Activities:	
Water	\$ 352,906
Wastewater	314,021
Golf	71,532
Stormwater	2,256
Recycling and Garbage	<u>67</u>
 Total Depreciation and Amortization Expense	 <u><u>\$ 740,782</u></u>

2.D. NONCURRENT LIABILITIES

The reporting entity's noncurrent liabilities are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. All bonds set forth below are direct obligations of the City and pledge the full faith and credit of the City.

Debt Detail

As of December 31, 2023, the long-term debt of the financial reporting entity consists of the following:

Governmental Activities

General Obligation Bonds					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
09/11	\$ 1,220,000	\$75,000 - 90,000	1.00% - 4.00%	02/27	\$ 345,000
03/15	1,000,000	\$60,000 - 75,000	1.00% - 3.00%	02/30	490,000
12/15	1,045,000	\$65,000 - 75,000	1.10% - 2.90%	02/31	575,000
05/17	885,000	\$50,000 - 100,000	2.00% - 3.00%	02/32	530,000
05/18	910,000	\$50,000 - 75,000	2.00% - 3.20%	02/33	640,000
05/19	1,755,000	\$110,000 - 150,000	3.00%	02/34	1,425,000
07/20	2,640,000	\$160,000 - 200,000	1.00% - 2.00%	02/36	2,320,000
06/21	1,795,000	\$110,000 - 135,000	1.38% - 1.70%	02/37	1,685,000
06/22	2,856,000	\$150,000 - 237,000	3.30%	02/38	2,856,000
11/23	6,965,000	\$305,000 - 595,000	4.00% - 4.13%	02/39	<u>6,965,000</u>
					17,831,000

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.D. NONCURRENT LIABILITIES (Continued)

General Obligation Refunding Bonds					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
01/13	\$ 2,585,000	\$95,000 - 240,000	0.45% - 2.10%	02/27	\$ 390,000
04/15	2,555,000	\$75,000 - 335,000	2.00% - 2.10%	02/25	280,000
05/17	3,280,000	\$25,000 - 725,000	2.00% - 3.00%	02/31	760,000
					<u>1,430,000</u>
Total Governmental Activities Bonds Payable					<u>\$ 19,261,000</u>

Notes Payable					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
06/22	\$ 450,000	-	0.00%	04/25	\$ 450,000

Financing Arrangement					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
01/22	\$ 311,737	\$26,821 - 35,920	3.25%	12/31	\$ 257,210
01/23	169,476	\$13,877 - 20,377	5.50%	12/31	135,591
Total Governmental Activities Financing Arrangements					<u>\$ 392,801</u>

Business-Type Activities

General Obligation Bonds					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
07/19	\$ 15,498,248	\$442,248 - 614,000	1.00%	08/48	<u>\$ 13,223,736</u>

Financing Arrangements					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
05/21	\$ 121,008	\$22,009 - 26,498	4.75%	05/25	\$ 49,447
06/22	9,554	\$349 - 2,055	4.75%	06/27	6,233
05/22	17,797	\$3,369 - 3,798	4.00%	05/27	10,955
Total Business-Type Activities Financing Arrangements					<u>\$ 66,635</u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.D. NONCURRENT LIABILITIES (Continued)

Lease Liabilities

The City of Little Falls currently leases multiple vehicles for the City, as well as a Fairway Mower and Greens Roller for the general operation of the City's Municipal Golf Course. Because of the nature of the terms of the lease, long-term lease liabilities have been recorded in an amount equal to the present value to the future lease payments. Additionally, corresponding right-of-use assets have been recorded and incorporated into the City's capital asset records. Terms of the City's leasing arrangements as of December 31, 2023 are detailed below:

Governmental Activities

Lease Liabilities					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
01/23	\$ 28,637	\$6,942 - 7,779	7.50%	10/26	\$ 21,939
01/23	25,848	\$6,203 - 7,204	7.50%	12/26	20,092
04/23	32,156	\$1,930 - 7,347	8.00%	3/28	28,111
07/23	19,779	\$2,363 - 4,445	8.25%	6/28	18,147
10/23	42,511	\$9,105 - 11,274	8.50%	9/27	40,255
11/23	39,981	\$8,888 - 10,529	8.50%	10/27	38,571
Total Governmental Activities Lease Liabilities					<u>\$ 167,115</u>

Business-Type Activities

Lease Liabilities					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
11/22	\$ 56,958	\$1,554 - 12,679	7.00%	11/27	\$ 45,814
6/23	14,834	\$874 - 5,111	6.95%	6/26	10,754
Total Business-Type Activities Lease Liabilities					<u>\$ 56,568</u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.D. NONCURRENT LIABILITIES (Continued)

Changes in Noncurrent Liabilities

The following is a summary of changes in noncurrent liabilities for the year ended December 31, 2023:

Type of Debt	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023	Amounts Due Within One Year
Governmental Activities:					
G.O. Bonds	\$ 11,576,000	\$ 6,965,000	\$ (710,000)	\$ 17,831,000	\$ 870,000
G.O. Refunding Bonds	2,135,000	-	(705,000)	1,430,000	565,000
Note Payable	450,000	-	-	450,000	-
Unamortized Bond Premium	132,706	34,466	(22,489)	144,683	-
Financing Arrangements	284,916	169,476	(61,591)	392,801	42,497
Lease Liabilities	-	188,912	(21,797)	167,115	41,083
Severance Pay	39,449	12,170	(9,142)	42,477	-
Total	\$ 14,618,071	\$ 7,370,024	\$ (1,530,019)	\$ 20,458,076	\$ 1,518,580
Business-Type Activities:					
G.O. Bonds	\$ 13,620,140	\$ 81,596	\$ (478,000)	\$ 13,223,736	\$ 483,000
Financing Arrangements	94,841	-	(28,206)	66,635	29,526
Lease Liabilities	55,404	14,834	(13,670)	56,568	15,032
Total	\$ 13,770,385	\$ 96,430	\$ (519,876)	\$ 13,346,939	\$ 527,558

Interest expense totals \$493,145 in the Statement of Activities (included in Debt Service and Wastewater lines). Interest expense totals \$354,137 in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (included in the line Interest and Other Charges) and \$137,700 in the Statement of Revenues, Expenses, and Changes and Net Position – Proprietary Funds (included in the line Interest and Other Charges).

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.D. NONCURRENT LIABILITIES (Continued)

Annual Debt Service Requirements

At December 31, 2023, the estimated annual debt service requirements to maturity, including principal and interest, are as follows:

Governmental Activities			
Years Ending December 31,	G.O. Bonds		
	Principal	Interest	Total
2024	\$ 1,435,000	\$ 479,543	\$ 1,914,543
2025	1,670,000	527,262	2,197,262
2026	1,405,000	485,282	1,890,282
2027	1,421,000	444,456	1,865,456
2028	1,276,000	405,235	1,681,235
2029-2033	6,443,000	1,440,739	7,883,739
2034-2038	5,016,000	529,823	5,545,823
2039	595,000	12,272	607,272
Totals	<u>\$ 19,261,000</u>	<u>\$ 4,324,612</u>	<u>\$ 23,585,612</u>

Governmental Activities			
Years Ending December 31,	Notes Payable		
	Principal	Interest	Total
2024	\$ -	\$ -	\$ -
2025	450,000	-	450,000
Totals	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>

Governmental Activities			
Years Ending December 31,	Financing Arrangements		
	Principal	Interest	Total
2024	\$ 42,497	\$ 15,045	\$ 57,542
2025	44,224	13,319	57,543
2026	46,026	11,517	57,543
2027	47,907	9,636	57,543
2028	49,870	7,672	57,542
2029-2031	162,277	10,349	172,626
Totals	<u>\$ 392,801</u>	<u>\$ 67,538</u>	<u>\$ 460,339</u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.D. NONCURRENT LIABILITIES (Continued)

Governmental Activities			
Years Ending December 31,	Lease Liabilities		
	Principal	Interest	Total
2024	\$ 41,083	\$ 11,742	\$ 52,825
2025	44,532	8,296	52,828
2026	46,827	4,572	51,399
2027	30,378	1,351	31,729
2028	4,295	54	4,349
Totals	<u>\$ 167,115</u>	<u>\$ 26,015</u>	<u>\$ 193,130</u>

Business-Type Activities			
Years Ending December 31,	G.O. Bonds		
	Principal	Interest	Total
2024	\$ 483,000	\$ 136,360	\$ 619,360
2025	488,000	131,530	619,530
2026	493,000	126,650	619,650
2027	497,000	121,720	618,720
2028	502,000	116,750	618,750
2029-2033	2,588,000	507,420	3,095,420
2034-2038	2,720,000	375,390	3,095,390
2039-2043	2,859,000	236,620	3,095,620
2044-2048	2,593,736	90,800	2,684,536
Totals	<u>\$ 13,223,736</u>	<u>\$ 1,843,240</u>	<u>\$ 15,066,976</u>

Business-Type Activities			
Years Ending December 31,	Financing Arrangements		
	Principal	Interest	Total
2024	\$ 29,526	\$ 2,979	\$ 32,505
2025	30,907	1,597	32,504
2026	5,853	153	6,006
2027	349	6	355
Totals	<u>\$ 66,635</u>	<u>\$ 4,735</u>	<u>\$ 71,370</u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.D. NONCURRENT LIABILITIES (Continued)

Business-Type Activities			
Years Ending December 31,	Lease Liabilities		
	Principal	Interest	Total
2024	\$ 15,053	\$ 3,512	\$ 18,565
2025	16,138	2,427	18,565
2026	12,698	1,369	14,067
2027	12,679	488	13,167
Totals	\$ 56,568	\$ 7,796	\$ 64,364

Governmental activity debt is typically funded through the Debt Service Fund. Business-type activity debt is funded through the Wastewater Fund. Severance pay is typically funded through the Employee Severance Pay internal service fund in the fund financial statements.

2.E. INTERFUND TRANSACTIONS AND BALANCES

Operating transfers consist of the following for the year ended December 31, 2023:

		Transfers In						
		Major Funds			Nonmajor Funds			
		Economic						Total
Major Funds	Transfers Out	General	Development Loan	Equipment Reserve	Other Gov't	Other Enterprise	Internal Service	
General	\$1,742,786	\$ -	\$ -	\$ 422,600	\$1,206,310	\$ 25,000	\$ 88,876	\$1,742,786
Economic Development								
Authority	26,630	26,400	-	-	-	-	230	26,630
Equipment Reserve	74,000	-	-	-	74,000	-	-	74,000
Debt Service	6,705,898	-	24,119	-	6,681,353	-	426	6,705,898
Water Utility	435,001	336,500	-	-	85,000	-	13,501	435,001
Wastewater Utility	393,223	369,800	-	-	-	-	23,423	393,223
Recycling and Garbage	126,914	126,350	-	-	-	-	564	126,914
	<u>9,504,452</u>	<u>859,050</u>	<u>24,119</u>	<u>422,600</u>	<u>8,046,663</u>	<u>25,000</u>	<u>127,020</u>	<u>9,504,452</u>
Nonmajor Funds								
Governmental	291,730	49,000	-	-	210,851	-	31,879	291,730
Enterprise	<u>25,686</u>	<u>20,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,286</u>	<u>25,686</u>
	<u>317,416</u>	<u>69,400</u>	<u>-</u>	<u>-</u>	<u>210,851</u>	<u>-</u>	<u>37,165</u>	<u>317,416</u>
	<u>\$9,821,868</u>	<u>\$ 928,450</u>	<u>\$ 24,119</u>	<u>\$ 422,600</u>	<u>\$8,257,514</u>	<u>\$ 25,000</u>	<u>\$ 164,185</u>	<u>\$9,821,868</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.E. INTERFUND TRANSACTIONS AND BALANCES (Continued)

The interfund balances are as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Reason</u>
	Wastewater Project		
Wastewater	Fund	\$ 159,287	Eliminate fund cash deficit
General	Recycling and Garbage Fund	65,698	Eliminate fund cash deficit
General	Municipal Golf Course Fund	898,396	Eliminate fund cash deficit
<u>Advances Payable To</u>	<u>Advances Payable From</u>		
Economic Development Loan	Debt Service	90,468	ABS Supply TIF
Debt Service	Water	1,142,083	Share of improvement bond debt
Debt Service	Wastewater	<u>838,089</u>	Share of improvement bond debt
Total Interfund Balances		<u>\$ 3,194,021</u>	
Due from Proprietary to Governmental		\$ (2,944,266)	
Due from Governmental to Proprietary		159,287	
Interfund activity to eliminate internal service funds		<u>141,031</u>	
Government-wide internal balances		<u>\$ (2,643,948)</u>	

Interfund balance for the Wastewater Project cash deficit and the ABS Supply TIF shortfall are to be repaid as cash flows become available. Water and Wastewater fund shares of improvement bond debt are anticipated to be paid following a set payment schedule. Interfund balances to eliminate fund cash deficits are to be repaid as cash flows become available.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.F. FUND EQUITY

At December 31, 2023, governmental fund equity consists of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund					
Nonspendable - Prepaids	\$ 174,087	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,270,047</u>
Total General Fund Balance	<u>\$ 174,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,047</u>
Economic Development Authority Fund					
Nonspendable - Loans Receivable	\$ 244,168	\$ -	\$ -	\$ -	\$ -
Nonspendable - Leases Receivable	123	-	-	-	-
Restricted for Community Development	<u>-</u>	<u>1,107,301</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Economic Development Authority Fund Balance	<u>\$ 244,291</u>	<u>\$ 1,107,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Economic Development Loan Fund					
Nonspendable - Loans Receivable	\$ 2,174,637	\$ -	\$ -	\$ -	\$ -
Nonspendable - Advances to Other Funds	90,468	-	-	-	-
Assigned for Community Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,021,395</u>	<u>-</u>
Total Economic Development Loan Fund Balance	<u>\$ 2,265,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,021,395</u>	<u>\$ -</u>
Debt Service Fund					
Nonspendable - Advances to Other Funds	\$ 1,980,172	\$ -	\$ -	\$ -	\$ -
Restricted for Debt Service	<u>-</u>	<u>3,387,224</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service Fund Balance	<u>\$ 1,980,172</u>	<u>\$ 3,387,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equipment Reserve Fund					
Nonspendable - Prepaids	\$ 22,287	\$ -	\$ -	\$ -	\$ -
Nonspendable - Deposit on Asset	11,038	-	-	-	-
Assigned for Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,558,465</u>	<u>-</u>
Total Equipment Reserve Fund Balance	<u>\$ 33,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,558,465</u>	<u>\$ -</u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.F. FUND EQUITY (Continued)

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Nonmajor Special Revenue Funds					
Nonspendable - Inventory	\$ 46,199	\$ -	\$ -	\$ -	\$ -
Nonspendable - Prepaids	5,880	-	-	-	-
Nonspendable - Loans Receivable	670,171	-	-	-	-
Nonspendable - Leases Receivable	732	-	-	-	-
Restricted for Community Development	-	194,895	-	-	-
Restricted for Tourism	-	31,445	-	-	-
Restricted for Public Safety	-	417	-	-	-
Restricted for American Rescue Plan Act Expenditures	-	262,299	-	-	-
Committed for Park Dedication	-	-	6,411	-	-
Committed for Culture and Recreation	-	-	987,656	-	-
Committed for Public Safety	-	-	63,198	-	-
Assigned for Public Works	-	-	-	257,488	-
Assigned for Culture and Recreation	-	-	-	1,028,398	-
Assigned for Community Development	-	-	-	284,002	-
Assigned for Airport	-	-	-	76,474	-
Unassigned	-	-	-	-	(241,827)
Total Nonmajor Special Revenue Funds Balance	<u>\$ 722,982</u>	<u>\$ 489,056</u>	<u>\$ 1,057,265</u>	<u>\$ 1,646,362</u>	<u>\$ (241,827)</u>
Nonmajor Capital Project Funds					
Nonspendable - Loans Receivable	\$ 22,311	\$ -	\$ -	\$ -	\$ -
Nonspendable - Leases Receivable	16,819	-	-	-	-
Assigned for Equipment	-	-	-	370,455	-
Assigned for Capital Projects	-	-	-	863,545	-
Unassigned	-	-	-	-	(1,525,284)
Total Nonmajor Capital Project Funds Balance	<u>\$ 39,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,234,000</u>	<u>\$ (1,525,284)</u>

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2.F. FUND EQUITY (Continued)

Additionally, nonmajor funds with deficit fund balances or net positions at December 31, 2023 are as follows:

Fund	Deficit
Nonmajor Special Revenue Funds	
Airport Improvement Fund	\$ (222,839)
Nonmajor Capital Project Funds	
Wastewater Project Fund	\$ (105,452)
Zoo Project Fund	\$ (130,451)
Library Building Fund	\$ (5,183)
Bridge/Railroad Crossing Project Fund	\$ (41,847)
2021 Sidewalk Improvement Fund	\$ (35,029)
Safe Routes to Schools Fund	\$ (32,081)
18th Street Southeast Project Fund	\$ (84,288)
11th Street Northeast Project Fund	\$ (171,438)
4th Street Northeast Project Fund	\$ (62,460)
Truck HWY/9th Street East Project Fund	\$ (34,450)
18th Street Northeast Fund	\$ (82,537)
Childcare Grant Fund	\$ (5,148)
1st Street Northeast Project Fund	\$ (10,223)
Project 402 - Ripley Rail Spur Fund	\$ (12,994)
Falls Fab TIF 44 Fund	\$ (20,472)
Project 406 - CMHP TIF 45 Fund	\$ (474)
Project 407 - Clubhouse Project Fund	\$ (673,938)
Nonmajor Enterprise Fund	
Municipal Golf Course Fund	\$ (463,396)
Nonmajor Internal Service Fund	
Employee Severance Pay Fund	\$ (30,359)

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE

Plan Description

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

General Employees Retirement Plan

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

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

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 local relief associations that elected to merge with and transfer assets and administration to PERA.

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 Employees 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 1.20 percent for each of the first 10 years of service and 1.70 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70 percent 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 1.50 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.

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.

In 2023, the legislature allocated funding for a one-time lump-sum payment to General Employee and Police and Fire Plan benefit recipients. Eligibility criteria and the payment amount is specified in statute. The one-time payment is non-compounding towards future benefits.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023, and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023 were \$213,536. The City's contributions were equal to the required contributions as set by State Statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023, and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023 were \$274,505. The City's contributions were equal to the required contributions as set by State Statute.

Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,862,099 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity, and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$51,305.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0333 percent at the end of the measurement period and 0.0318 percent for the beginning of the period.

City's proportionate share of the net pension liability:	\$1,862,099
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>51,305</u>
Total	<u>\$1,913,404</u>

For the year ended December 31, 2023, the City recognized pension expense of \$78,744 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$231 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2023, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 60,490	\$ 11,711
Changes in Actuarial Assumption	275,701	510,385
Difference between projected and actual investment earnings	594,557	-
Changes in proportion	144,474	-
Contributions paid to PERA subsequent to the measurement date	107,772	-
Total City Deferred Outflows/Inflows	<u>\$ 1,182,994</u>	<u>\$ 522,096</u>

The \$107,772 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense
2024	\$ 420,574
2025	110,515
2026	62,432
2027	(40,395)

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$1,925,460 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1115 percent at the end of the measurement period and 0.1059 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 meets 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 aid was paid on October 1, 2021. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$77,565.

City's proportionate share of the net pension liability:	\$1,925,460
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>77,565</u>
Total	<u>\$2,003,025</u>

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of negative \$9,859 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized negative \$4,672 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$10,036 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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 517,255	\$ -
Changes in Actuarial Assumption	2,101,701	2,706,253
Difference between projected and actual investment earnings	-	77,220
Changes in proportion	236,748	21,647
Contributions paid to PERA subsequent to the measurement date	139,369	-
Total City Deferred Outflows/Inflows	<u>\$ 2,995,073</u>	<u>\$ 2,805,120</u>

The \$139,369 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense
2024	\$ 99,759
2025	34,501
2026	457,862
2027	(104,434)
2028	(437,104)

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

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	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	100%	

Actuarial Methods and 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 7.00 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 7.00 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 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 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 3.00 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 3.00 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 are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The 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 completed in 2020 and 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 6.50 percent to 7.00 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.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

- The benefit increase delay for early retirements on or after January 1, 2024 was eliminated.
- A one-time, non-compounding benefit increase of 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

Changes in Plan Provisions:

- Additional one-time direct State aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.00 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.

Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Sensitivity of Net Pension Liability at Different Discount Rates					
	General Employees Fund			Police and Fire Fund	
1% Increase in Discount Rate	8.00%	\$	684,139	8.00%	\$ 367,613
Current Discount Rate	7.00%	\$	1,862,099	7.00%	\$ 1,925,460
1% Decrease in Discount Rate	6.00%	\$	3,294,202	6.00%	\$ 3,820,342

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.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 PUBLIC EMPLOYEES DEFINED CONTRIBUTION PENSION PLAN

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% of the assets in each member's account annually.

Total contributions made by the City of Little Falls during fiscal year 2023 were:

	<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rates</u>
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
2023	\$ <u>3,000</u>	\$ <u>3,000</u>	5.00%	5.00%	5.00%

NOTE 5 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION

Plan Description

Firefighters of the City of Little Falls are members of the Little Falls Fire Department Relief Association. The Association is the administrator of a single-employer defined benefit pension plan available to firefighters. The plan operates under the provisions of Minnesota laws 1965 Ch. 446 as amended, and the applicable provisions of Minnesota Statute Chs. 69 and 424 and 424A. It is governed by a Board of Trustees consisting of six members elected by the members of the Association, City Administrator, one elected official, and Fire Chief, who serve as the ex-officio members of the Board.

Benefits Provided

At the age of 50 and upon retirement, each member who has served as an active firefighter in the Association is eligible for varying levels of pension benefits, dependent upon the individual's years of service. In addition, members or their beneficiaries may qualify for death or disability benefits.

Contributions

The Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statute 1980) specifies minimum contributions required on an annual basis. The minimum support rates from the municipality and state aid are determined in the amount required to meet the normal cost plus amortizing any existing prior year service costs over a 10 year period. The City's contributions to the Association for the year ended December 31, 2023 total \$9,000.

Pension Costs

At December 31, 2023, the City of Little Falls reported a net pension asset of \$112,016 for the Fire Relief Association's plan. The net pension asset was measured as of December 31, 2022, as determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2023, the City recognized pension expense of negative \$33,705 for the Association. The City also recognized \$110,567 for the year ended December 31, 2023, as pension expense (and grant revenue) for the State of Minnesota's contributions to the Association.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (Continued)

The following table presents the changes in net pension asset during the year measurement period:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance 1/1/22	\$ 1,588,336	\$ 1,916,913	\$ (328,577)
Changes for the Year			
Service Cost	69,227	-	69,227
Interest on Pension Liability	86,615	-	86,615
Plan Changes	(30,699)	-	(30,699)
Projected Investment Income	-	103,883	(103,883)
Fire State Aid	-	110,567	(110,567)
Municipal Contributions	-	8,000	(8,000)
Asset (Gain)/Loss	(30,512)	(335,043)	304,531
Benefit Payouts	(165,500)	(165,500)	-
Administrative Fees	-	(9,337)	9,337
Net Changes	<u>(70,869)</u>	<u>(287,430)</u>	<u>216,561</u>
Balance End of Year 12/31/22	<u>\$ 1,517,467</u>	<u>\$ 1,629,483</u>	<u>\$ (112,016)</u>

At December 31, 2023, the City of Little Falls reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 28,185	\$ 24,410
Change in Actuarial Assumption	-	27,629
Difference between projected and actual investment earnings	210,144	-
Contributions paid subsequent to the measurement date	<u>9,000</u>	<u>-</u>
Total City Deferred Outflows/Inflows	<u>\$ 247,329</u>	<u>\$ 52,039</u>

A total of \$9,000 reported as deferred outflows of resources related to the pension resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2024.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (Continued)

Other amounts reported as deferred outflows and inflows of resources related to the pension will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense
2024	\$ 20,090
2025	54,892
2026	59,863
2027	64,245
2028	(2,764)
2029-2032	(10,036)

Actuarial Assumptions

The total pension asset at December 31, 2022, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Assumptions	Rates
Investment Rate of Return (Discount)	6.00%
Expected Long-Term Rate of Return	6.00%
20-Year Municipal Bond Yield	N/A
Salary Increases	2.50%
Interest on Deferred Amounts	5.00%

There were no changes made to actuarial assumptions during 2022 except for a discount rate change from 5.50% to 6.00%.

There were no changes made to plan provisions since the prior valuation.

Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (5.00%)	Discount Rate (6.00%)	1% Increase in Discount Rate (7.00%)
Net Pension Asset	\$ (49,861)	\$ (112,016)	\$ (171,147)

Plan Investments

Asset Allocation

The long-term expected rate of return on pension plan investments is 6.00 percent. The target allocation and best estimates of geometric real rates of return for each major asset class of the Association's pension fund investments are summarized in the following table:

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	12.00%	2.00%
Fixed Income	28.00%	3.20%
Equities	60.00%	7.90%

Description of significant investment policy changes during the year

The Fire Relief Association made no significant changes to their investment policy during Fiscal Year 2022.

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the City at 100 7th Ave NE, Little Falls, MN 56345.

NOTE 6 OTHER NOTES

6.A. RISK MANAGEMENT

Claims and Judgements

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

The City is self-insured up to a deductible of \$50,000 per occurrence and \$50,000 aggregate. Commercial insurance is purchased for losses beyond the deductibles. Loss claims are recorded in the Liability Insurance (Internal Service) Fund. Funds are charged based on the commercial insurance premiums.

There were no significant reductions in insurance from the previous year. The City is also self-insured for state unemployment compensation insurance.

Self-insured claims paid out or accrued in the Liability Insurance Fund for the year ended December 31, 2023 total \$36,709.

6.B. COMMITMENTS AND CONTINGENCIES

Pay-as-You-Go-Debt

The City issues Pay-As-You-Go Revenue Notes to finance various tax increment projects. Such projects are financed with loans to developers. The notes are not general obligations of the City as they are payable only to the extent of future tax increments received. As such, these obligations do not appear on the City's financial statements. At December 31, 2023, outstanding Pay-As-You-Go debt approximates \$1,318,283 including accrued interest. Amounts carry interest rates of 0.00% - 6.00% and are due over various payment terms. All payments are contingent upon collection of tax increment and are not due if such collections are not received by the City.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER NOTES (Continued)

6.B. COMMITMENTS AND CONTINGENCIES (Continued)

Joint Venture

Pursuant to an agreement authorized by Minnesota Statutes, the City has joined other cities to be a part of Sourcewell, an entity through which member cities may jointly and cooperatively provide group employee benefits for their employees and obtain other financial and risk management services as deemed necessary or beneficial for their operations. For the year ended December 31, 2023, the employer share of benefits paid to Sourcewell totals \$899,584.

Construction Contracts

The City entered into various contracts during the year for construction services. Remaining commitment under these contracts at December 31, 2023 totals \$708,559, not including retainage which has been accrued in these financial statements.

6.C. OTHER EMPLOYEE BENEFITS

The City provides eligible employees future retirement benefits through participation in the Minnesota Deferred Compensation Plan (MNDCP), which is a section 457 plan administered by the Minnesota State Retirement System. Eligible employees of the City may begin participating in the MNDCP commencing on the date of their employment by electing to have a percentage of their pay contributed to the Plan. The City does not make employer contributions to the Plan.

6.D. TAX INCREMENT DISTRICTS

The City occasionally enters into tax increment financing arrangements with local businesses for the purpose of stimulating economic growth within the City. Eligibility for businesses seeking tax abatements of this nature is determined in accordance with applicable Minnesota Statutes, and such arrangements generally include a commitment by the local business to use the abated funds for financing a development or redevelopment project. Any tax increment generated by the district and not retained by the City for administrative costs is returned to the business to finance the debt incurred for the related improvements.

The following is a summary of the City's current tax increment financing districts:

	District #1-32	District #1-35	District #1-37
Business/Project Name	Our Lady of Angels Housing	Walgreens Area	Trident Housing
Purpose	Redevelopment	Redevelopment	Housing
Authorizing MN Statute	469.174	469.174	469.174
Year Established	2005	2007	2009
Duration of District	Through 2033	Through 2035	Through 2036
Original Base Net Tax Capacity	\$ 2,353	\$ 10,993	\$ 1,110
Current Net Tax Capacity	\$ 15,000	\$ 42,907	\$ 30,525
Captured Net Tax Capacity	\$ 12,647	\$ 31,914	\$ 29,415
Abated in Current Year	\$ -	\$ 31,950	\$ 32,672
Total Bonds/Loans Issued	\$ 233,916	\$ 483,000	\$ 500,000
Balance at 12/31/23	\$ 183,281	\$ 240,000	\$ 492,861

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER NOTES (Continued)

6.D. TAX INCREMENT DISTRICTS (Continued)

	District #1-39	District #1-40	District #1-41
Business/Project Name	DJ Products Expansion	ABS Supply Project	Barrett Petfood
Purpose	Economic Develop.	Economic Develop.	Economic Develop.
Authorizing MN Statute	469.174	469.174	469.174
Year Established	2017	2017	2019
Duration of District	Through 2027	Through 2027	Through 2029
Original Base Net Tax Capacity	\$ 870	\$ 945	\$ 2,238
Current Net Tax Capacity	\$ 14,242	\$ 10,100	\$ 129,424
Captured Net Tax Capacity	\$ 13,372	\$ 9,155	\$ 127,186
Abated in Current Year	\$ 7,718	\$ 7,760	\$ 148,235
Total Bonds/Loans Issued	\$ 146,962	\$ 98,500	\$ 677,000
Balance at 12/31/23	\$ 138,766	\$ 90,468	\$ 428,070
	District #1-43		
Business/Project Name	North Freeze Dry		
Purpose	Economic Develop.		
Authorizing MN Statute	469.174		
Year Established	2021		
Duration of District	Through 2034		
Original Base Net Tax Capacity	\$ 1,080		
Current Net Tax Capacity	\$ 18,430		
Captured Net Tax Capacity	\$ 17,350		
Abated in Current Year	\$ 10,014		
Total Bonds/Loans Issued	\$ 268,600		
Balance at 12/31/23	\$ 258,586		

Following is additional information specific to various of the Districts listed on the prior pages:

- District #1-32 – Funds were borrowed from the City’s Economic Development Loan Fund.
- District #1-35 – Bonds noted are the portion of the 2017B bond issuance carried by the City, which was used to refund the original 2009A TIF Bonds.
- District #1-37 – This is a “pay-as-you-go” district, reimbursing the Project up to \$500,000 of documented land acquisition and site improvement costs.
- District #1-39 – This is a “pay-as-you-go” district.
- District #1-40 – Funds were borrowed from the Economic Development Loan Fund.
- District #1-41 – This is a “pay-as-you-go” district.
- District #1-43 – This is a “pay-as-you-go” district.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 OTHER NOTES (Continued)

6.E. SUBSEQUENT EVENTS

Construction Contracts

Subsequent to year end and prior to the issuance of these financial statements, the City contracted for various construction projects at an estimated combined cost of \$748,033.

Equipment Purchase

Subsequent to year-end and prior to the issuance of these financial statements, the City approved the purchase of a Front End Loader in the amount of \$318,687 and a Records Management System in the amount of \$102,960.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LITTLE FALLS, MINNESOTA
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts Original and Final	Actual Amounts Budgetary Basis	Variance with Budget Over (Under)
REVENUES (INFLOWS):			
Taxes	\$ 3,409,500	\$ 3,376,186	\$ (33,314)
Intergovernmental	3,072,600	3,120,306	47,706
Licenses and Permits	245,000	350,467	105,467
Sales and Charges for Services	237,950	235,092	(2,858)
Fines	19,200	17,832	(1,368)
Interest Income	8,200	22,563	14,363
Other Revenue	5,700	22,889	17,189
Transfers In	902,050	928,450	26,400
AMOUNTS AVAILABLE	<u>7,900,200</u>	<u>8,073,785</u>	<u>173,585</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):			
Current:			
General Government	1,425,845	1,453,978	28,133
Public Safety	3,127,945	3,353,668	225,723
Public Works	1,520,250	1,577,267	57,017
Culture and Recreation	90,050	86,483	(3,567)
Transfers Out	1,736,110	1,742,786	6,676
TOTAL CHARGES	<u>7,900,200</u>	<u>8,214,182</u>	<u>313,982</u>
BUDGETARY CHANGE IN FUND BALANCE	<u>\$ -</u>	(140,397)	<u>\$ (140,397)</u>
FUND BALANCE - BEGINNING		<u>1,584,531</u>	
FUND BALANCE - ENDING		<u>\$ 1,444,134</u>	

CITY OF LITTLE FALLS, MINNESOTA
BUDGETARY COMPARISON SCHEDULE-ECONOMIC DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts Original and Final	Actual Amounts Budgetary Basis	Variance with Budget Over (Under)
REVENUES (INFLOWS):			
Taxes	\$ 110,000	\$ 109,628	\$ (372)
Sales and Charges for Services	-	50	50
Interest Income	2,000	8,917	6,917
Other Revenue	24,000	9,238	(14,762)
AMOUNTS AVAILABLE	<u>136,000</u>	<u>127,833</u>	<u>(8,167)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):			
Current:			
Community Development	86,040	67,239	(18,801)
Capital Outlay	23,560	-	(23,560)
Loan Principle Payout	-	59,000	59,000
Transfers Out	26,400	26,630	230
TOTAL CHARGES	<u>136,000</u>	<u>152,869</u>	<u>16,869</u>
BUDGETARY CHANGE IN FUND BALANCE	<u>\$ -</u>	(25,036)	<u>\$ (25,036)</u>
FUND BALANCE - BEGINNING		<u>1,376,628</u>	
FUND BALANCE - ENDING		<u>\$ 1,351,592</u>	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF CITY'S PROPORTIONATE
SHARE OF NET PENSION LIABILITY
LAST TEN YEARS (Presented Prospectively)

For the Measurement Year Ended June 30	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<i>General Employees Retirement Pension Plan</i>							
2023	0.0333%	\$ 1,862,099	\$ 51,305	\$ 1,913,404	\$ 2,643,933	72.4%	83.1%
2022	0.0318%	\$ 2,518,570	\$ 73,990	\$ 2,592,560	\$ 2,377,787	109.0%	76.7%
2021	0.0304%	\$ 1,298,216	\$ 39,609	\$ 1,337,825	\$ 2,191,587	61.0%	87.0%
2020	0.0287%	\$ 1,720,696	\$ 53,087	\$ 1,773,783	\$ 2,047,507	86.6%	79.1%
2019	0.0258%	\$ 1,426,425	\$ 44,330	\$ 1,470,755	\$ 1,828,667	80.4%	80.2%
2018	0.0271%	\$ 1,503,397	\$ 49,334	\$ 1,552,731	\$ 1,815,800	85.5%	79.5%
2017	0.0267%	\$ 1,704,510	\$ 21,454	\$ 1,725,964	\$ 1,721,747	100.2%	75.9%
2016	0.0272%	\$ 2,208,505	\$ 28,786	\$ 2,237,291	\$ 1,664,799	134.4%	68.9%
2015	0.0255%	\$ 1,321,542	\$ -	\$ 1,321,542	\$ 1,501,511	88.0%	78.2%
<i>Public Employees Police and Fire Pension Plan</i>							
2023	0.1115%	\$ 1,925,460	\$ 77,565	\$ 2,003,025	\$ 1,464,299	136.8%	86.5%
2022	0.1059%	\$ 4,608,350	\$ 201,270	\$ 4,809,620	\$ 1,286,424	373.9%	70.5%
2021	0.1029%	\$ 794,279	\$ 35,700	\$ 829,979	\$ 1,216,401	68.2%	93.7%
2020	0.1014%	\$ 1,336,560	\$ 31,490	\$ 1,368,050	\$ 1,144,087	119.6%	87.2%
2019	0.1075%	\$ 1,144,446	\$ -	\$ 1,144,446	\$ 1,134,202	100.9%	89.3%
2018	0.1028%	\$ 1,095,742	\$ -	\$ 1,095,742	\$ 1,083,926	101.1%	88.8%
2017	0.1020%	\$ 1,377,121	\$ -	\$ 1,377,121	\$ 1,047,463	131.5%	85.4%
2016	0.1030%	\$ 4,133,569	\$ -	\$ 4,133,569	\$ 992,904	416.3%	63.9%
2015	0.0990%	\$ 1,124,872	\$ -	\$ 1,124,872	\$ 909,300	123.7%	86.6%

Note: The schedule is provided prospectively with the City's fiscal year ended December 31, 2015 (June 30, 2015 measurement date) and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF CITY PENSION CONTRIBUTIONS
LAST TEN YEARS (Presented Prospectively)

For the Fiscal Year Ended December 31	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>General Employees Retirement Pension Plan</i>					
2023	\$ 213,536	\$ 213,536	\$ -	\$ 2,847,147	7.50%
2022	\$ 186,339	\$ 186,339	\$ -	\$ 2,484,520	7.50%
2021	\$ 170,368	\$ 170,368	\$ -	\$ 2,271,573	7.50%
2020	\$ 155,751	\$ 155,751	\$ -	\$ 2,076,680	7.50%
2019	\$ 145,567	\$ 145,567	\$ -	\$ 1,940,893	7.50%
2018	\$ 136,815	\$ 136,815	\$ -	\$ 1,824,200	7.50%
2017	\$ 133,032	\$ 133,032	\$ -	\$ 1,773,760	7.50%
2016	\$ 125,966	\$ 125,966	\$ -	\$ 1,679,547	7.50%
2015	\$ 117,153	\$ 117,153	\$ -	\$ 1,562,020	7.50%
<i>Public Employees Police and Fire Pension Plan</i>					
2023	\$ 274,505	\$ 274,505	\$ -	\$ 1,550,876	17.70%
2022	\$ 241,371	\$ 241,371	\$ -	\$ 1,363,678	17.70%
2021	\$ 219,965	\$ 219,965	\$ -	\$ 1,242,740	17.70%
2020	\$ 206,927	\$ 206,927	\$ -	\$ 1,169,079	17.70%
2019	\$ 193,718	\$ 193,718	\$ -	\$ 1,142,879	16.95%
2018	\$ 181,038	\$ 181,038	\$ -	\$ 1,117,519	16.20%
2017	\$ 173,056	\$ 173,056	\$ -	\$ 1,068,247	16.20%
2016	\$ 163,837	\$ 163,837	\$ -	\$ 1,011,337	16.20%
2015	\$ 149,127	\$ 149,127	\$ -	\$ 920,544	16.20%
<i>Little Falls Fire Department Relief Association</i>					
2023	\$ -	\$ -	\$ -	N/A	N/A
2022	\$ -	\$ -	\$ -	N/A	N/A
2021	\$ -	\$ -	\$ -	N/A	N/A
2020	\$ -	\$ -	\$ -	N/A	N/A
2019	\$ -	\$ -	\$ -	N/A	N/A
2018	\$ -	\$ -	\$ -	N/A	N/A
2017	\$ -	\$ -	\$ -	N/A	N/A
2016	\$ -	\$ -	\$ -	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A

Note: The schedule is provided prospectively with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
FIRE DEPARTMENT RELIEF ASSOCIATION
LAST TEN YEARS (Presented Prospectively)

	Measurement Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes in Total Pension Liability (TPL)									
Balance at January 1st	\$ 1,588,336	\$ 1,316,597	\$ 1,517,245	\$ 1,291,313	\$ 1,163,195	\$ 1,131,698	\$ 948,743	\$ 1,025,637	\$ 962,738
Service Cost	69,227	56,043	62,070	52,792	55,980	54,615	57,136	57,832	56,422
Interest on the TPL	86,615	72,357	76,591	71,354	67,055	62,882	37,720	35,274	35,557
Assumption Changes	(30,699)	-	-	-	-	-	(66,869)	-	-
Plan Changes	-	257,439	-	195,293	-	-	133,576	-	-
Benefit Payments	(165,500)	(114,100)	(373,500)	(93,507)	-	(86,000)	-	(170,000)	(29,080)
Net Investment Income (Loss)	(30,512)	-	34,191	-	5,083	-	21,392	-	-
Balance at December 31st	<u>\$ 1,517,467</u>	<u>\$ 1,588,336</u>	<u>\$ 1,316,597</u>	<u>\$ 1,517,245</u>	<u>\$ 1,291,313</u>	<u>\$ 1,163,195</u>	<u>\$ 1,131,698</u>	<u>\$ 948,743</u>	<u>\$ 1,025,637</u>
Plan Fiduciary Net Position (PFNP)									
Balance at January 1st	\$ 1,916,913	\$ 1,754,466	\$ 1,900,176	\$ 1,631,901	\$ 1,651,225	\$ 1,426,415	\$ 1,243,603	\$ 1,386,787	\$ 1,276,155
Fire State Aid	110,567	105,098	103,420	96,025	93,094	92,637	85,645	86,825	77,582
Municipal Contributions	8,000	9,000	9,000	9,000	8,000	8,000	8,000	8,000	22,052
Projected Investment Income	103,883	96,254	97,147	89,875	93,402	78,675	48,260	50,476	49,070
Net Investment Income (Loss)	(335,043)	74,990	24,858	174,007	(206,714)	138,042	47,865	(112,113)	(3,189)
Total Additions	(112,593)	285,342	234,425	368,907	(12,218)	317,354	189,770	33,188	145,515
Benefit Payments	(165,500)	(114,100)	(373,500)	(93,507)	-	(86,000)	-	(170,000)	(29,080)
Administrative Expenses	(9,337)	(8,795)	(6,635)	(7,125)	(7,106)	(6,544)	(6,958)	(6,372)	(5,803)
Total Reductions	(174,837)	(122,895)	(380,135)	(100,632)	(7,106)	(92,544)	(6,958)	(176,372)	(34,883)
Balance at December 31st	<u>\$ 1,629,483</u>	<u>\$ 1,916,913</u>	<u>\$ 1,754,466</u>	<u>\$ 1,900,176</u>	<u>\$ 1,631,901</u>	<u>\$ 1,651,225</u>	<u>\$ 1,426,415</u>	<u>\$ 1,243,603</u>	<u>\$ 1,386,787</u>
Net Pension Liability (Asset) - December 31st	<u>\$ (112,016)</u>	<u>\$ (328,577)</u>	<u>\$ (437,869)</u>	<u>\$ (382,931)</u>	<u>\$ (340,588)</u>	<u>\$ (488,030)</u>	<u>\$ (294,717)</u>	<u>\$ (294,860)</u>	<u>\$ (361,150)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	107%	121%	133%	125%	126%	142%	126%	131%	135%

Note: The schedule is provided prospectively beginning with the measurement period ended December 31, 2015 (December 31, 2014 measurement date) and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 BUDGETARY COMPARISON SCHEDULES

Actual expenditures in the General Fund of \$8,214,182 exceeded final budgeted expenditures by \$313,982 for the current year. Expenditures in excess of budget were primarily the result of miscellaneous payroll expenditure payouts and increased professional services expenditures. Such expenditures were financed through available fund balance.

Actual expenditures in the Economic Development Authority Fund of \$152,869 exceeded final budgeted expenditures by \$16,869 for the current year. Expenditures in excess of budget were primarily the result of loan principle payouts. Such expenditures were financed through available fund balance.

The City did not adopt a budget for the Economic Development Loan major Special Revenue Fund for the year ended December 31, 2023.

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – GENERAL EMPLOYEES FUND

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 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 2.50 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – GENERAL EMPLOYEES FUND (Continued)

- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent 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 100.00 percent Joint & Survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100 percent Joint & Survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023 and 0.00 percent after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 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.
- Annual 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.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – GENERAL EMPLOYEES FUND (Continued)

- 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 Changes

Changes in Actuarial Assumptions

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA loads are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 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.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, State and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 3 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.50 percent to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50.00 percent vesting after five years, increasing incrementally to 100.00 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.00 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 Changes

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- 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.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 3 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND (Continued)

2020 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- Annual increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 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.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 3 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND (Continued)

- 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 annual 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.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 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.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed annual increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- The annual increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

NOTE 4 DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION

2022 Changes

Changes in Actuarial Assumptions

- Discount rate changed from 5.50 percent to 6.00 percent.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 4 DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION (Continued)

Changes in Plan Provisions

- A benefit increase from \$3,900 to \$4,700 was reflected in the active liability.

2020 Changes

Changes in Actuarial Assumptions

- There were no changes made to actuarial assumptions during 2020.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- There were no changes made to actuarial assumptions during 2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions

- There were no changes made to actuarial assumptions during 2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2017 Changes

Changes in Actuarial Assumptions

- There were no changes made to actuarial assumptions during 2017.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- Discount rate changed from 3.75 percent to 5.50 percent.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There were no changes made to actuarial assumptions during 2015.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**CITY OF LITTLE FALLS, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 4 DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION (Continued)

2014 Changes

Changes in Actuarial Assumptions

- The discount rate was determined based on the portion of plan liabilities expected to be funded through the Plan's Financial Net Position, projected forward with investment earnings and future contributions, offset by benefit payments and administrative expenses. A closed group was used for this projection.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

SUPPLEMENTARY INFORMATION

**CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash, Cash Equivalents, and Investments	\$ 2,874,809	\$ 100,951	\$ 2,975,760
Property Taxes Receivable	2,237	-	2,237
Assessments Receivable	24,945	-	24,945
Accounts Receivable	393,430	2,590	396,020
Interest Receivable	20,199	1,903	22,102
Due from Other Governments	103,095	216,353	319,448
Inventory	46,199	-	46,199
Prepays	5,880	-	5,880
Loans Receivable (Net)	670,171	22,311	692,482
Leases Receivable	23,780	195,910	219,690
TOTAL ASSETS	<u>\$ 4,164,745</u>	<u>\$ 540,018</u>	<u>\$ 4,704,763</u>
LIABILITIES			
Accounts Payable	\$ 28,149	\$ 367,528	\$ 395,677
Salaries Payable	10,732	3,997	14,729
Construction Contracts Payable	-	17,757	17,757
Due to Other Funds	-	159,287	159,287
Total Liabilities	38,881	548,569	587,450
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue:			
Property Taxes	938	-	938
Special Assessments	24,945	-	24,945
Grants Receivable	103,095	64,512	167,607
Other Receivables	300,000	-	300,000
Leases	23,048	179,091	202,139
Total Deferred Inflows of Resources	452,026	243,603	695,629
FUND BALANCES			
Nonspendable	722,982	39,130	762,112
Restricted	489,056	-	489,056
Committed	1,057,265	-	1,057,265
Assigned	1,646,362	1,234,000	2,880,362
Unassigned	(241,827)	(1,525,284)	(1,767,111)
Total Fund Balances	<u>3,673,838</u>	<u>(252,154)</u>	<u>3,421,684</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,164,745</u>	<u>\$ 540,018</u>	<u>\$ 4,704,763</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 383,135	\$ 10	\$ 383,145
Franchise Taxes	197,467	-	197,467
Licenses, Permits, and Fees	33,000	-	33,000
Intergovernmental	170,078	609,707	779,785
Charges for Services	272,723	39,230	311,953
Investment Income (Loss)	45,082	(51,610)	(6,528)
Loan Collections	103	174	277
Miscellaneous	78,020	182,693	260,713
TOTAL REVENUES	<u>1,179,608</u>	<u>780,204</u>	<u>1,959,812</u>
EXPENDITURES			
Current:			
General Government	60,755	1,315	62,070
Public Safety	148,886	-	148,886
Public Works	1,050	268,142	269,192
Culture and Recreation	721,505	789	722,294
Community Development	314,012	-	314,012
Airport	318,010	-	318,010
Capital Outlay	854,843	3,518,636	4,373,479
TOTAL EXPENDITURES	<u>2,419,061</u>	<u>3,788,882</u>	<u>6,207,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,239,453)	(3,008,678)	(4,248,131)
OTHER FINANCING SOURCES (USES)			
Issuance of Debt	-	81,596	81,596
Loan Principle Payout	(478)	-	(478)
Transfers In	1,027,160	7,230,354	8,257,514
Transfers Out	(291,730)	-	(291,730)
TOTAL OTHER FINANCING SOURCES (USES)	<u>734,952</u>	<u>7,311,950</u>	<u>8,046,902</u>
NET CHANGE IN FUND BALANCES	(504,501)	4,303,272	3,798,771
FUND BALANCES - BEGINNING	<u>4,178,339</u>	<u>(4,555,426)</u>	<u>(377,087)</u>
FUND BALANCES - ENDING	<u>\$ 3,673,838</u>	<u>\$ (252,154)</u>	<u>\$ 3,421,684</u>

**CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
DECEMBER 31, 2023**

	Cable TV Fund	Housing & Redevelopment Authority Fund	Parking Lot Fund	Sister City Fund
ASSETS				
Cash, Cash Equivalents, and Investments	\$ 6,786	\$ 197,261	\$ 257,217	\$ 29,307
Property Taxes Receivable	-	983	1,075	-
Assessments Receivable	-	24,945	-	-
Accounts Receivable	25,697	-	-	-
Interest Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Loans Receivable (Net)	-	609,412	-	-
Leases Receivable	-	-	-	-
TOTAL ASSETS	\$ 32,483	\$ 832,601	\$ 258,292	\$ 29,307
LIABILITIES				
Accounts Payable	\$ -	\$ 871	\$ -	\$ -
Salaries Payable	-	2,478	-	-
Total Liabilities	-	3,349	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	-	-	804	-
Special Assessments	-	24,945	-	-
Grants Receivable	-	-	-	-
Other Receivables	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	-	24,945	804	-
FUND BALANCES				
Nonspendable	-	609,412	-	-
Restricted	-	194,895	-	-
Committed	-	-	-	-
Assigned	32,483	-	257,488	29,307
Unassigned	-	-	-	-
Total Fund Balances	32,483	804,307	257,488	29,307
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 32,483	\$ 832,601	\$ 258,292	\$ 29,307

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2023

	Tourism Fund	Heritage Preservation Commission Fund	Rosenmeier Property Fund	Parks & Recreation Fund
ASSETS				
Cash, Cash Equivalents, and Investments	\$ 93,319	\$ 82,634	\$ 6,161	\$ 1,029,215
Property Taxes Receivable	-	-	-	-
Assessments Receivable	-	-	-	-
Accounts Receivable	24,111	-	-	315,900
Interest Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	5,811
Loans Receivable (Net)	-	60,759	-	-
Leases Receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 117,430</u>	<u>\$ 143,393</u>	<u>\$ 6,161</u>	<u>\$ 1,350,926</u>
LIABILITIES				
Accounts Payable	\$ 13,954	\$ 440	\$ 457	\$ 2,052
Salaries Payable	-	-	-	8,254
Total Liabilities	13,954	440	457	10,306
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	-	-	-	-
Special Assessments	-	-	-	-
Grants Receivable	-	-	-	-
Other Receivables	-	-	-	300,000
Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	300,000
FUND BALANCES				
Nonspendable	-	60,759	-	5,811
Restricted	31,445	-	-	-
Committed	-	-	-	6,411
Assigned	72,031	82,194	5,704	1,028,398
Unassigned	-	-	-	-
Total Fund Balances	<u>103,476</u>	<u>142,953</u>	<u>5,704</u>	<u>1,040,620</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 117,430</u>	<u>\$ 143,393</u>	<u>\$ 6,161</u>	<u>\$ 1,350,926</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2023

	Airport Operating Fund	Airport Improvement Fund	Police Forfeiture Fund	Fire Relief Fund
ASSETS				
Cash, Cash Equivalents, and Investments	\$ 49,927	\$ (213,639)	\$ 417	\$ 63,153
Property Taxes Receivable	-	-	-	179
Assessments Receivable	-	-	-	-
Accounts Receivable	27,722	-	-	-
Interest Receivable	-	-	-	-
Due from Other Governments	-	103,095	-	-
Inventory	46,199	-	-	-
Prepays	69	-	-	-
Loans Receivable (Net)	-	-	-	-
Leases Receivable	23,780	-	-	-
TOTAL ASSETS	<u>\$ 147,697</u>	<u>\$ (110,544)</u>	<u>\$ 417</u>	<u>\$ 63,332</u>
LIABILITIES				
Accounts Payable	\$ 1,175	\$ 9,200	\$ -	\$ -
Salaries Payable	-	-	-	-
Total Liabilities	1,175	9,200	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Property Taxes	-	-	-	134
Special Assessments	-	-	-	-
Grants Receivable	-	103,095	-	-
Other Receivables	-	-	-	-
Leases	23,048	-	-	-
Total Deferred Inflows of Resources	23,048	103,095	-	134
FUND BALANCES				
Nonspendable	47,000	-	-	-
Restricted	-	-	417	-
Committed	-	-	-	63,198
Assigned	76,474	-	-	-
Unassigned	-	(222,839)	-	-
Total Fund Balances	123,474	(222,839)	417	63,198
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 147,697</u>	<u>\$ (110,544)</u>	<u>\$ 417</u>	<u>\$ 63,332</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2023

	Frank & Alice Dewey Trust Fund	Musser Trust Fund	William & Burneze Krafve Park Fund	CARES Act Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash, Cash Equivalents, and Investments	\$ 523,033	\$ 270,481	\$ 217,238	\$ 262,299	\$ 2,874,809
Property Taxes Receivable	-	-	-	-	2,237
Assessments Receivable	-	-	-	-	24,945
Accounts Receivable	-	-	-	-	393,430
Interest Receivable	9,717	4,615	5,867	-	20,199
Due from Other Governments	-	-	-	-	103,095
Inventory	-	-	-	-	46,199
Prepays	-	-	-	-	5,880
Loans Receivable (Net)	-	-	-	-	670,171
Leases Receivable	-	-	-	-	23,780
TOTAL ASSETS	\$ 532,750	\$ 275,096	\$ 223,105	\$ 262,299	\$ 4,164,745
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 28,149
Salaries Payable	-	-	-	-	10,732
Total Liabilities	-	-	-	-	38,881
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes	-	-	-	-	938
Special Assessments	-	-	-	-	24,945
Grants Receivable	-	-	-	-	103,095
Other Receivables	-	-	-	-	300,000
Leases	-	-	-	-	23,048
Total Deferred Inflows of Resources	-	-	-	-	452,026
FUND BALANCES					
Nonspendable	-	-	-	-	722,982
Restricted	-	-	-	262,299	489,056
Committed	500,000	294,084	193,572	-	1,057,265
Assigned	32,750	-	29,533	-	1,646,362
Unassigned	-	(18,988)	-	-	(241,827)
Total Fund Balances	<u>532,750</u>	<u>275,096</u>	<u>223,105</u>	<u>262,299</u>	<u>3,673,838</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 532,750	\$ 275,096	\$ 223,105	\$ 262,299	\$ 4,164,745

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Cable TV	Housing & Redevelopment	Parking Lot	Sister City
	Fund	Authority Fund	Fund	Fund
REVENUES				
Taxes	\$ -	\$ 109,850	\$ 29,920	\$ -
Franchise Taxes	133,808	-	-	-
Licenses, Permits, and Fees	-	33,000	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Income (Loss)	91	1,863	2,022	273
Loan Collections	-	103	-	-
Miscellaneous	5	132	5,975	3,000
TOTAL REVENUES	<u>133,904</u>	<u>144,948</u>	<u>37,917</u>	<u>3,273</u>
EXPENDITURES				
Current:				
General Government	-	-	-	5,000
Public Safety	-	-	-	-
Public Works	-	-	1,050	-
Culture and Recreation	101,875	-	-	-
Community Development	-	78,466	-	-
Airport	-	-	-	-
Capital Outlay	10,490	125	83,209	-
TOTAL EXPENDITURES	<u>112,365</u>	<u>78,591</u>	<u>84,259</u>	<u>5,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,539	66,357	(46,342)	(1,727)
OTHER FINANCING SOURCES (USES)				
Loan Principle Payout	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(5,087)	(39,045)	(315)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,087)</u>	<u>(39,045)</u>	<u>(315)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	16,452	27,312	(46,657)	(1,727)
FUND BALANCES - BEGINNING	<u>16,031</u>	<u>776,995</u>	<u>304,145</u>	<u>31,034</u>
FUND BALANCES - ENDING	<u>\$ 32,483</u>	<u>\$ 804,307</u>	<u>\$ 257,488</u>	<u>\$ 29,307</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Tourism Fund	Heritage Preservation Commission Fund	Rosenmeier Property Fund	Parks & Recreation Fund
REVENUES				
Taxes	\$ 238,375	\$ -	\$ -	\$ -
Franchise Taxes	-	-	-	63,659
Licenses, Permits, and Fees	-	-	-	-
Intergovernmental	-	1,938	-	-
Charges for Services	-	-	-	1,061
Investment Income (Loss)	750	454	57	2,476
Loan Collections	-	-	-	-
Miscellaneous	40,006	3,640	49	23,178
TOTAL REVENUES	<u>279,131</u>	<u>6,032</u>	<u>106</u>	<u>90,374</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	28,136	782	590,712
Community Development	234,399	1,147	-	-
Airport	-	-	-	-
Capital Outlay	-	-	-	366,554
TOTAL EXPENDITURES	<u>234,399</u>	<u>29,283</u>	<u>782</u>	<u>957,266</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,732	(23,251)	(676)	(866,892)
OTHER FINANCING SOURCES (USES)				
Loan Principle Payout	-	(478)	-	-
Transfers In	-	25,000	-	939,160
Transfers Out	(2,625)	(17)	(1,020)	(225,374)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,625)</u>	<u>24,505</u>	<u>(1,020)</u>	<u>713,786</u>
NET CHANGE IN FUND BALANCES	42,107	1,254	(1,696)	(153,106)
FUND BALANCES - BEGINNING	<u>61,369</u>	<u>141,699</u>	<u>7,400</u>	<u>1,193,726</u>
FUND BALANCES - ENDING	<u>\$ 103,476</u>	<u>\$ 142,953</u>	<u>\$ 5,704</u>	<u>\$ 1,040,620</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Airport Operating Fund	Airport Improvement Fund	Police Forfeiture Fund	Fire Relief Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,990
Franchise Taxes	-	-	-	-
Licenses, Permits, and Fees	-	-	-	-
Intergovernmental	29,254	-	-	138,886
Charges for Services	271,662	-	-	-
Investment Income (Loss)	295	(1,999)	-	477
Loan Collections	-	-	-	-
Miscellaneous	302	270	-	1,000
TOTAL REVENUES	<u>301,513</u>	<u>(1,729)</u>	<u>-</u>	<u>145,353</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	148,886
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Community Development	-	-	-	-
Airport	318,010	-	-	-
Capital Outlay	260	337,100	-	-
TOTAL EXPENDITURES	<u>318,270</u>	<u>337,100</u>	<u>-</u>	<u>148,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,757)	(338,829)	-	(3,533)
OTHER FINANCING SOURCES (USES)				
Loan Principle Payout	-	-	-	-
Transfers In	20,000	40,000	-	3,000
Transfers Out	(8,603)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,397</u>	<u>40,000</u>	<u>-</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCES	(5,360)	(298,829)	-	(533)
FUND BALANCES - BEGINNING	<u>128,834</u>	<u>75,990</u>	<u>417</u>	<u>63,731</u>
FUND BALANCES - ENDING	<u>\$ 123,474</u>	<u>\$ (222,839)</u>	<u>\$ 417</u>	<u>\$ 63,198</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Frank & Alice Dewey Trust Fund	Musser Trust Fund	William & Burneze Krafve Park Fund	CARES Act Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 383,135
Franchise Taxes	-	-	-	-	197,467
Licenses, Permits, and Fees	-	-	-	-	33,000
Intergovernmental	-	-	-	-	170,078
Charges for Services	-	-	-	-	272,723
Investment Income (Loss)	18,057	9,262	11,004	-	45,082
Loan Collections	-	-	-	-	103
Miscellaneous	-	463	-	-	78,020
TOTAL REVENUES	<u>18,057</u>	<u>9,725</u>	<u>11,004</u>	<u>-</u>	<u>1,179,608</u>
EXPENDITURES					
Current:					
General Government	-	-	-	55,755	60,755
Public Safety	-	-	-	-	148,886
Public Works	-	-	-	-	1,050
Culture and Recreation	-	-	-	-	721,505
Community Development	-	-	-	-	314,012
Airport	-	-	-	-	318,010
Capital Outlay	-	-	-	57,105	854,843
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,860</u>	<u>2,419,061</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,057	9,725	11,004	(112,860)	(1,239,453)
OTHER FINANCING SOURCES (USES)					
Loan Principle Payout	-	-	-	-	(478)
Transfers In	-	-	-	-	1,027,160
Transfers Out	-	(9,644)	-	-	(291,730)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(9,644)</u>	<u>-</u>	<u>-</u>	<u>734,952</u>
NET CHANGE IN FUND BALANCES	18,057	81	11,004	(112,860)	(504,501)
FUND BALANCES - BEGINNING	<u>514,693</u>	<u>275,015</u>	<u>212,101</u>	<u>375,159</u>	<u>4,178,339</u>
FUND BALANCES - ENDING	<u>\$ 532,750</u>	<u>\$ 275,096</u>	<u>\$ 223,105</u>	<u>\$ 262,299</u>	<u>\$ 3,673,838</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	Wastewater Project Fund	Street Improvement Fund	Fire Equipment Fund	Zoo Project Fund
ASSETS				
Cash, Cash Equivalents, and Investments	\$ -	\$ 830,062	\$ 369,835	\$ (149,240)
Accounts Receivable	-	-	620	1,970
Interest Receivable	-	1,903	-	-
Due from Other Governments	216,353	-	-	-
Loans Receivable (Net)	-	-	-	-
Leases Receivable	-	-	-	195,910
TOTAL ASSETS	<u>\$ 216,353</u>	<u>\$ 831,965</u>	<u>\$ 370,455</u>	<u>\$ 48,640</u>
LIABILITIES				
Accounts Payable	\$ 98,006	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-
Construction Contracts Payable	-	17,757	-	-
Due to Other Funds	<u>159,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	257,293	17,757	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Grants Receivable	64,512	-	-	-
Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,091</u>
Total Deferred Inflows of Resources	64,512	-	-	179,091
FUND BALANCES				
Nonspendable	-	-	-	16,819
Assigned	-	814,208	370,455	-
Unassigned	<u>(105,452)</u>	<u>-</u>	<u>-</u>	<u>(147,270)</u>
Total Fund Balances	<u>(105,452)</u>	<u>814,208</u>	<u>370,455</u>	<u>(130,451)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 216,353</u>	<u>\$ 831,965</u>	<u>\$ 370,455</u>	<u>\$ 48,640</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2023

	Buckman Grant Fund	Library Building Fund	Bridge/Railroad Crossing Project Fund	2021 Petition Projects Fund
ASSETS				
Cash, Cash Equivalents, and Investments	\$ 14,317	\$ (5,183)	\$ (41,847)	\$ -
Accounts Receivable	-	-	-	-
Interest Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Loans Receivable (Net)	22,311	-	-	-
Leases Receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 36,628</u>	<u>\$ (5,183)</u>	<u>\$ (41,847)</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-
Construction Contracts Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Grants Receivable	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	22,311	-	-	-
Assigned	14,317	-	-	-
Unassigned	-	(5,183)	(41,847)	-
Total Fund Balances	<u>36,628</u>	<u>(5,183)</u>	<u>(41,847)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 36,628</u>	<u>\$ (5,183)</u>	<u>\$ (41,847)</u>	<u>\$ -</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2023

	2021 Sidewalk Improvements Fund	Safe Routes to Schools Fund	4th Street SE Project Fund	18th Street Southeast Project
ASSETS				
Cash, Cash Equivalents, and Investments	\$ (35,029)	\$ (32,081)	\$ -	\$ (84,288)
Accounts Receivable	-	-	-	-
Interest Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Loans Receivable (Net)	-	-	-	-
Leases Receivable	-	-	-	-
TOTAL ASSETS	<u>\$ (35,029)</u>	<u>\$ (32,081)</u>	<u>\$ -</u>	<u>\$ (84,288)</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-
Construction Contracts Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Grants Receivable	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	(35,029)	(32,081)	-	(84,288)
Total Fund Balances	<u>(35,029)</u>	<u>(32,081)</u>	<u>-</u>	<u>(84,288)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ (35,029)</u>	<u>\$ (32,081)</u>	<u>\$ -</u>	<u>\$ (84,288)</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2023

	14th Street Southeast Project	11th Street Northeast Project	2022 Petition Projects Fund	Water Looping
ASSETS				
Cash, Cash Equivalents, and Investments	\$ -	\$ (171,438)	\$ -	\$ 35,020
Accounts Receivable	-	-	-	-
Interest Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Loans Receivable (Net)	-	-	-	-
Leases Receivable	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ (171,438)</u>	<u>\$ -</u>	<u>\$ 35,020</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries Payable	-	-	-	-
Construction Contracts Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue:				
Grants Receivable	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Assigned	-	-	-	35,020
Unassigned	-	(171,438)	-	-
Total Fund Balances	-	(171,438)	-	35,020
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ -</u>	<u>\$ (171,438)</u>	<u>\$ -</u>	<u>\$ 35,020</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2023

	4th Street Northeast Project	Truck HWY/9th Street East Project	18th Street Northeast	Childcare Grant	1st Street Northeast Project Fund
ASSETS					
Cash, Cash Equivalents, and Investments	\$ (58,463)	\$ (34,370)	\$ (82,537)	\$ (5,148)	\$ (10,223)
Accounts Receivable	-	-	-	-	-
Interest Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Loans Receivable (Net)	-	-	-	-	-
Leases Receivable	-	-	-	-	-
TOTAL ASSETS	<u>\$ (58,463)</u>	<u>\$ (34,370)</u>	<u>\$ (82,537)</u>	<u>\$ (5,148)</u>	<u>\$ (10,223)</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 80	\$ -	\$ -	\$ -
Salaries Payable	3,997	-	-	-	-
Construction Contracts Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>3,997</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Grants Receivable	-	-	-	-	-
Leases	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(62,460)	(34,450)	(82,537)	(5,148)	(10,223)
Total Fund Balances	<u>(62,460)</u>	<u>(34,450)</u>	<u>(82,537)</u>	<u>(5,148)</u>	<u>(10,223)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ (58,463)</u>	<u>\$ (34,370)</u>	<u>\$ (82,537)</u>	<u>\$ (5,148)</u>	<u>\$ (10,223)</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
DECEMBER 31, 2023

	Project 402 - Ripley Rail Spur Fund	Falls Fab TIF 44 Fund	Project 406 - CMHP TIF 45 Fund	Project 407 - Clubhouse Project Fund	Total Nonmajor Capital Projects Funds
ASSETS					
Cash, Cash Equivalents, and Investments	\$ (12,994)	\$ (20,472)	\$ (474)	\$ (404,496)	\$ 100,951
Accounts Receivable	-	-	-	-	2,590
Interest Receivable	-	-	-	-	1,903
Due from Other Governments	-	-	-	-	216,353
Loans Receivable (Net)	-	-	-	-	22,311
Leases Receivable	-	-	-	-	195,910
TOTAL ASSETS	<u>\$ (12,994)</u>	<u>\$ (20,472)</u>	<u>\$ (474)</u>	<u>\$ (404,496)</u>	<u>\$ 540,018</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 269,442	\$ 367,528
Salaries Payable	-	-	-	-	3,997
Construction Contracts Payable	-	-	-	-	17,757
Due to Other Funds	-	-	-	-	159,287
Total Liabilities	-	-	-	269,442	548,569
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Grants Receivable	-	-	-	-	64,512
Leases	-	-	-	-	179,091
Total Deferred Inflows of Resources	-	-	-	-	243,603
FUND BALANCES					
Nonspendable	-	-	-	-	39,130
Assigned	-	-	-	-	1,234,000
Unassigned	(12,994)	(20,472)	(474)	(673,938)	(1,525,284)
Total Fund Balances	<u>(12,994)</u>	<u>(20,472)</u>	<u>(474)</u>	<u>(673,938)</u>	<u>(252,154)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ (12,994)</u>	<u>\$ (20,472)</u>	<u>\$ (474)</u>	<u>\$ (404,496)</u>	<u>\$ 540,018</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Wastewater Project Fund	Street Improvement Fund	Fire Equipment Fund	Zoo Project Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 10	\$ -
Intergovernmental	27,074	-	1,600	-
Charges for Services	-	-	-	39,230
Investment Income (Loss)	(1,249)	9,874	1,624	(1,170)
Loan Collections	-	-	-	-
Miscellaneous	-	-	79,111	-
TOTAL REVENUES	<u>25,825</u>	<u>9,874</u>	<u>82,345</u>	<u>38,060</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	2,984	-	-
Culture and Recreation	-	-	-	789
Capital Outlay	<u>119,249</u>	<u>612,260</u>	<u>99,232</u>	<u>-</u>
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>119,249</u>	<u>615,244</u>	<u>99,232</u>	<u>789</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(93,424)	(605,370)	(16,887)	37,271
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	81,596	-	-	-
Transfers In	<u>-</u>	<u>300,000</u>	<u>164,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>81,596</u>	<u>300,000</u>	<u>164,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(11,828)	(305,370)	147,113	37,271
FUND BALANCES - BEGINNING	<u>(93,624)</u>	<u>1,119,578</u>	<u>223,342</u>	<u>(167,722)</u>
FUND BALANCES - ENDING	<u>\$ (105,452)</u>	<u>\$ 814,208</u>	<u>\$ 370,455</u>	<u>\$ (130,451)</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Buckman	Library	Bridge/Railroad	2021 Petition
	Grant Fund	Building Fund	Crossing Project Fund	Projects Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Income (Loss)	114	(45)	(329)	-
Loan Collections	174	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>288</u>	<u>(45)</u>	<u>(329)</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	9,201	-	(390)
TOTAL EXPENDITURES	<u>-</u>	<u>9,201</u>	<u>-</u>	<u>(390)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	288	(9,246)	(329)	390
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	-
Transfers In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	288	(9,246)	(329)	390
FUND BALANCES - BEGINNING	<u>36,340</u>	<u>4,063</u>	<u>(41,518)</u>	<u>(390)</u>
FUND BALANCES - ENDING	<u>\$ 36,628</u>	<u>\$ (5,183)</u>	<u>\$ (41,847)</u>	<u>\$ -</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	2021 Sidewalk Improvements Fund	Safe Routes to Schools Fund	4th Street SE Project Fund	18th Street Southeast Project
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	73,732	-	-
Charges for Services	-	-	-	-
Investment Income (Loss)	(273)	(249)	(33,349)	(659)
Loan Collections	-	-	-	-
Miscellaneous	-	-	103,557	-
TOTAL REVENUES	(273)	73,483	70,208	(659)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	6,035	-
Culture and Recreation	-	-	-	-
Capital Outlay	-	-	1,453,663	285
TOTAL EXPENDITURES	-	-	1,459,698	285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(273)	73,483	(1,389,490)	(944)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	-
Transfers In	-	-	4,239,355	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	4,239,355	-
NET CHANGE IN FUND BALANCES	(273)	73,483	2,849,865	(944)
FUND BALANCES - BEGINNING	(34,756)	(105,564)	(2,849,865)	(83,344)
FUND BALANCES - ENDING	<u>\$ (35,029)</u>	<u>\$ (32,081)</u>	<u>\$ -</u>	<u>\$ (84,288)</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	14th Street Southeast Project	11th Street Northeast Project	2022 Petition Projects Fund	Water Looping
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Income (Loss)	(114)	(1,352)	(19,094)	(398)
Loan Collections	-	-	-	-
Miscellaneous	-	4	21	-
TOTAL REVENUES	<u>(114)</u>	<u>(1,348)</u>	<u>(19,073)</u>	<u>(398)</u>
EXPENDITURES				
Current:				
General Government	-	-	1,315	-
Public Works	25	-	-	6,392
Culture and Recreation	-	-	-	-
Capital Outlay	<u>1,110</u>	<u>3,282</u>	<u>110,373</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,135</u>	<u>3,282</u>	<u>111,688</u>	<u>6,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,249)	(4,630)	(130,761)	(6,790)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	-	-
Transfers In	<u>14,158</u>	<u>-</u>	<u>2,427,841</u>	<u>85,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,158</u>	<u>-</u>	<u>2,427,841</u>	<u>85,000</u>
NET CHANGE IN FUND BALANCES	12,909	(4,630)	2,297,080	78,210
FUND BALANCES - BEGINNING	<u>(12,909)</u>	<u>(166,808)</u>	<u>(2,297,080)</u>	<u>(43,190)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (171,438)</u>	<u>\$ -</u>	<u>\$ 35,020</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	4th Street Northeast Project	Truck HWY/9th Street East Project	18th Street Northeast	Childcare Grant	1st Street Northeast Project Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	507,301	-	-
Charges for Services	-	-	-	-	-
Investment Income (Loss)	(454)	(273)	(647)	(46)	(80)
Loan Collections	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	(454)	(273)	506,654	(46)	(80)
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Works	40,825	28,300	53,299	-	9,193
Culture and Recreation	-	-	-	-	-
Capital Outlay	1,114	-	525,909	-	-
TOTAL EXPENDITURES	41,939	28,300	579,208	-	9,193
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,393)	(28,573)	(72,554)	(46)	(9,273)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(42,393)	(28,573)	(72,554)	(46)	(9,273)
FUND BALANCES - BEGINNING	(20,067)	(5,877)	(9,983)	(5,102)	(950)
FUND BALANCES - ENDING	<u>\$ (62,460)</u>	<u>\$ (34,450)</u>	<u>\$ (82,537)</u>	<u>\$ (5,148)</u>	<u>\$ (10,223)</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Project 402 - Ripley Rail Spur Fund	Falls Fab TIF 44 Fund	Project 406 - CMHP TIF 45 Fund	Project 407 - Clubhouse Project Fund	Total Nonmajor Capital Projects Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 10
Intergovernmental	-	-	-	-	609,707
Charges for Services	-	-	-	-	39,230
Investment Income (Loss)	(102)	(159)	-	(3,180)	(51,610)
Loan Collections	-	-	-	-	174
Miscellaneous	-	-	-	-	182,693
TOTAL REVENUES	(102)	(159)	-	(3,180)	780,204
EXPENDITURES					
Current:					
General Government	-	-	-	-	1,315
Public Works	12,892	20,313	474	87,410	268,142
Culture and Recreation	-	-	-	-	789
Capital Outlay	-	-	-	583,348	3,518,636
TOTAL EXPENDITURES	12,892	20,313	474	670,758	3,788,882
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,994)	(20,472)	(474)	(673,938)	(3,008,678)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	81,596
Transfers In	-	-	-	-	7,230,354
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	7,311,950
NET CHANGE IN FUND BALANCES	(12,994)	(20,472)	(474)	(673,938)	4,303,272
FUND BALANCES - BEGINNING	-	-	-	-	(4,555,426)
FUND BALANCES - ENDING	<u>\$ (12,994)</u>	<u>\$ (20,472)</u>	<u>\$ (474)</u>	<u>\$ (673,938)</u>	<u>\$ (252,154)</u>

**CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023**

	Storm Water Fund	Municipal Golf Course Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets			
Cash, Cash Equivalents, and Investments	\$ 100,488	\$ -	\$ 100,488
Accounts Receivable	15,740	27,252	42,992
Interest Receivable	4,218	-	4,218
Inventory	-	10,916	10,916
Prepays	1,897	2,003	3,900
Total Current Assets	122,343	40,171	162,514
Noncurrent Assets			
Capital Assets Not Being Depreciated/Amortized	661,939	97,501	759,440
Capital Assets Being Depreciated/Amortized (Net)	18,787	535,744	554,531
Total Noncurrent Assets	680,726	633,245	1,313,971
TOTAL ASSETS	803,069	673,416	1,476,485
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	-	79,460	79,460
LIABILITIES			
Current Liabilities			
Accounts Payable	657	35,137	35,794
Salaries Payable	6	2,642	2,648
Construction Contracts Payable	10,317	-	10,317
Due to Other Funds	-	898,396	898,396
Debt Due Within One Year	-	44,558	44,558
Total Current Liabilities	10,980	980,733	991,713
Noncurrent Liabilities			
Debt Due After One Year	-	78,645	78,645
Net Pension Liability	-	122,537	122,537
Total Noncurrent Liabilities	-	201,182	201,182
TOTAL LIABILITIES	10,980	1,181,915	1,192,895
DEFERRED INFLOWS OF RESOURCES			
Pensions	-	34,357	34,357
NET POSITION			
Net Investment in Capital Assets	680,726	510,042	1,190,768
Unrestricted	111,363	(973,438)	(862,075)
TOTAL NET POSITION	\$ 792,089	\$ (463,396)	\$ 328,693

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Storm Water Fund	Municipal Golf Course Fund	Total Nonmajor Enterprise Funds
SALES AND COST OF SALES			
Sales	\$ -	\$ 165,958	\$ 165,958
Cost of Sales	-	(121,594)	(121,594)
GROSS PROFIT	-	44,364	44,364
OPERATING REVENUES			
Charges for Services	123,820	368,449	492,269
TOTAL GROSS PROFIT AND OPERATING REVENUES	123,820	412,813	536,633
OPERATING EXPENSES			
Wages and Benefits	68,990	395,136	464,126
Materials and Supplies	917	82,180	83,097
Repairs and Maintenance	3,126	47,554	50,680
Professional Services	14,554	82,774	97,328
Insurance	-	5,530	5,530
Utilities	5,737	28,860	34,597
Dues and Subscriptions	670	6,820	7,490
Other Services and Charges	16,607	26,825	43,432
Depreciation/Amortization	2,256	71,532	73,788
TOTAL OPERATING EXPENSES	112,857	747,211	860,068
NET OPERATING INCOME (LOSS)	10,963	(334,398)	(323,435)
NONOPERATING INCOME (EXPENSE)			
Taxes	-	84,622	84,622
Intergovernmental	-	15	15
Investment Income (Loss)	15,181	(7,224)	7,957
Miscellaneous	4,010	15,710	19,720
Interest and Other Charges	-	(4,194)	(4,194)
TOTAL NONOPERATING INCOME (EXPENSE)	19,191	88,929	108,120
CHANGE IN NET POSITION PRIOR TO TRANSFERS	30,154	(245,469)	(215,315)
TRANSFERS			
Operating Transfers In	-	25,000	25,000
Operating Transfers Out	(20,770)	(4,916)	(25,686)
NET TRANSFERS	(20,770)	20,084	(686)
CHANGE IN NET POSITION	9,384	(225,385)	(216,001)
NET POSITION - BEGINNING OF YEAR	782,705	(238,011)	544,694
NET POSITION - END OF YEAR	\$ 792,089	\$ (463,396)	\$ 328,693

**CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Storm Water Fund	Municipal Golf Course Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 122,096	\$ 529,226	\$ 651,322
Cash Paid to Suppliers	(41,481)	(386,904)	(428,385)
Cash Paid to Employees	(69,584)	(357,577)	(427,161)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	11,031	(215,255)	(204,224)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental	-	84,637	84,637
Nonoperating Receipts	4,010	15,710	19,720
Net Operating Subsidies and Transfers from (to) Other Funds	(20,770)	181,002	160,232
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(16,760)	281,349	264,589
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(252,930)	(27,634)	(280,564)
Payments on Debt Principal	-	(27,042)	(27,042)
Cash Paid for Interest	-	(4,194)	(4,194)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(252,930)	(58,870)	(311,800)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income (Loss)	851	(7,224)	(6,373)
Net Change in Cash and Cash Equivalents	(257,808)	-	(257,808)
Cash and Cash Equivalents - Beginning of Year	(89,323)	-	(89,323)
Cash and Cash Equivalents - End of Year	<u>\$ (347,131)</u>	<u>\$ -</u>	<u>\$ (347,131)</u>
Investments	447,619	-	447,619
Total Cash, Cash Equivalents, and Investments	<u>\$ 100,488</u>	<u>\$ -</u>	<u>\$ 100,488</u>

**CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Storm Water Fund</u>	<u>Municipal Golf Course Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS)			
TO NET CASH PROVIDED (USED) BY			
OPERATING ACTIVITIES			
Net Operating Income (Loss)	\$ 10,963	\$ (334,398)	\$ (323,435)
Adjustments to Reconcile Net Operating Income (Loss)			
to Net Cash Provided by Operating Activities:			
Depreciation/Amortization	2,256	71,532	73,788
Changes in Assets, Liabilities, and Deferrals:			
Accounts Receivable	(1,724)	(5,181)	(6,905)
Inventory	-	16,354	16,354
Accounts Payable	130	(1,121)	(991)
Salaries Payable	(594)	(1,842)	(2,436)
Net Pension Liability	-	(11,615)	(11,615)
Deferred Outflows or Resources - Pensions	-	18,515	18,515
Deferred Inflows or Resources - Pensions	-	32,501	32,501
NET CASH PROVIDED (USED) BY			
OPERATING ACTIVITIES	<u>\$ 11,031</u>	<u>\$ (215,255)</u>	<u>\$ (204,224)</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023

	Employee Severance Pay Fund	Liability Insurance Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets				
Cash, Cash Equivalents, and Investments	\$ 12,118	\$ 373,517	\$ 8,900	\$ 394,535
Accounts Receivable	-	-	27,480	27,480
Interest Receivable	-	5,250	-	5,250
Prepays	-	13,448	-	13,448
TOTAL ASSETS	<u>12,118</u>	<u>392,215</u>	<u>36,380</u>	<u>440,713</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	146	146
Noncurrent Liabilities				
Severance Due After One Year	<u>42,477</u>	<u>-</u>	<u>-</u>	<u>42,477</u>
TOTAL LIABILITIES	<u>42,477</u>	<u>-</u>	<u>146</u>	<u>42,623</u>
NET POSITION				
Unrestricted	<u>\$ (30,359)</u>	<u>\$ 392,215</u>	<u>\$ 36,234</u>	<u>\$ 398,090</u>

CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Employee Severance Pay Fund	Liability Insurance Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Other Income	\$ -	\$ 1,600	\$ 251,579	\$ 253,179
OPERATING EXPENSES				
Wages and Benefits	3,028	-	-	3,028
Professional Services	-	4,034	1,715	5,749
Insurance	-	197,043	255,078	452,121
Other Services and Charges	-	-	475	475
TOTAL OPERATING EXPENSES	<u>3,028</u>	<u>201,077</u>	<u>257,268</u>	<u>461,373</u>
NET OPERATING INCOME (LOSS)	(3,028)	(199,477)	(5,689)	(208,194)
NONOPERATING INCOME (EXPENSE)				
Investment Income (Loss)	<u>56</u>	<u>10,066</u>	<u>68</u>	<u>10,190</u>
CHANGE IN NET POSITION PRIOR TO TRANSFERS	(2,972)	(189,411)	(5,621)	(198,004)
TRANSFERS				
Operating Transfers In	<u>5,000</u>	<u>159,185</u>	<u>-</u>	<u>164,185</u>
CHANGE IN NET POSITION	2,028	(30,226)	(5,621)	(33,819)
NET POSITION - BEGINNING OF YEAR	<u>(32,387)</u>	<u>422,441</u>	<u>41,855</u>	<u>431,909</u>
NET POSITION - END OF YEAR	<u>\$ (30,359)</u>	<u>\$ 392,215</u>	<u>\$ 36,234</u>	<u>\$ 398,090</u>

**CITY OF LITTLE FALLS, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Employee Severance Pay Fund	Liability Insurance Fund	Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Other Receipts	\$ -	\$ 87,573	\$ 232,869	\$ 320,442
Cash Paid to Suppliers	-	(165,243)	(242,201)	(407,444)
Claims Paid	-	(36,709)	(15,061)	(51,770)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	(114,379)	(24,393)	(138,772)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net Operating Subsidies and Transfers from (to) Other Funds	5,000	159,185	-	164,185
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income (Loss)	56	4,566	68	4,690
Net Change in Cash and Cash Equivalents	5,056	49,372	(24,325)	30,103
Cash and Cash Equivalents - Beginning of Year	7,062	324,145	33,225	364,432
Cash and Cash Equivalents - End of Year	\$ 12,118	\$ 373,517	\$ 8,900	\$ 394,535

	Employee Severance Pay Fund	Liability Insurance Fund	Health Insurance Fund	Total Internal Service Funds
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net Operating Income (Loss)	\$ (3,028)	\$ (199,477)	\$ (5,689)	\$ (208,194)
Changes in Assets and Liabilities:				
Accounts Receivable	-	85,973	(18,710)	67,263
Prepays	-	(210)	-	(210)
Accounts Payable	-	(665)	6	(659)
Severance Payable	3,028	-	-	3,028
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ (114,379)	\$ (24,393)	\$ (138,772)

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Tax Revenue			
Current ad valorem tax	\$ 3,408,000	\$ 3,375,239	
Penalty and interest on taxes	1,500	947	
Total Tax Revenue	3,409,500	3,376,186	\$ (33,314)
Licenses			
On sale liquor	32,000	35,400	
Off sale liquor	4,000	1,275	
Sunday liquor	2,000	2,350	
Miscellaneous liquor	2,200	2,580	
Cigarette license	1,900	2,800	
Miscellaneous licenses	2,500	3,080	
Total Licenses	44,600	47,485	2,885
Permits			
Building permits	97,500	150,029	
Plan review	55,000	84,204	
Other permits	45,000	65,190	
Dog license	400	210	
Conditional use and waiver sub-division permits	2,500	3,349	
Total Permits	200,400	302,982	102,582
Intergovernmental Revenue			
Local government aid	2,880,600	2,880,627	
Police training reimbursement	15,000	16,163	
Fire Department Other Revenue	-	1,497	
Fire Dept Training Revenue	-	14,752	
Emergency MGMT Other Revenue	-	15,768	
Urban street maintenance	35,000	29,820	
Police aid 2% insurance	142,000	160,619	
Other grants	-	1,060	
Total Intergovernmental Revenue	3,072,600	3,120,306	47,706
Charges for Services			
Sale of maps, copies	200	253	
Police revenue	68,000	51,108	
Fire protection - rural	145,000	160,812	
Bituminous repair	4,500	2,085	
Weed mowing and tree removal	250	120	
Snow removal	8,000	7,085	
Public works revenue	4,000	350	
Sur tax receipts	8,000	13,279	
Total Charges for Services	237,950	235,092	(2,858)
Fines			
Fines	18,000	14,707	
Fines-administrative offense	1,200	3,125	
Total Fines	19,200	17,832	(1,368)

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Other Revenue			
Interest income	\$ 8,200	\$ 22,563	
Other revenue	1,000	17,840	
Credit card fees	3,200	4,723	
Sales tax	1,500	326	
Transfer in	902,050	928,450	
Total Other Revenue	915,950	973,902	\$ 57,952
TOTAL REVENUES	7,900,200	8,073,785	173,585
EXPENDITURES			
Mayor and Council			
Regular pay	79,300	79,200	
Employee benefits	5,600	6,093	
Workers compensation	120	78	
Office supplies	500	1	
Operating supplies	100	85	
Professional services	10,000	6,076	
Communications	3,000	1,399	
Travel and schools	16,000	3,509	
Dues, memberships, and subscriptions	25,300	25,721	
Printing, publishing, and advertising	2,000	741	
Miscellaneous	8,200	11,864	
Mayor's contingency	500	89	
Total Mayor and Council	150,620	134,856	(15,764)
Planning Commission			
Office Pay	2,400	1,560	
Office supplies	-	(118)	
Professional services	36,000	36,000	
Communications	200	1,034	
Travel and schools	500	-	
Printing, publishing, and advertising	1,000	1,106	
Miscellaneous	500	4,887	
Total Planning Commission	40,600	44,469	3,869
Health and Safety			
Operating supplies	100	145	
Professional services	1,000	-	
Travel and schools	200	-	
Dues, memberships, and subscriptions	300	1,148	
Miscellaneous	-	130	
Total Health and Safety	1,600	1,423	(177)
Elections			
Workers compensation	150	(52)	
Rental	-	2,200	
Total Elections	150	2,148	1,998

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
City Administration and Finance			
Regular pay	\$ 654,600	\$ 661,518	
Overtime pay	-	1,099	
Misc Payouts	-	15,958	
Employee benefits	205,900	215,389	
Workers compensation	5,200	5,293	
Office supplies	4,000	2,308	
Operating supplies	1,000	2,770	
Software and IT services	600	1,110	
Professional services	100	-	
Communications	7,800	9,498	
Travel and schools	11,000	11,292	
Dues, memberships, and subscriptions	1,650	1,086	
Printing, publishing, and advertising	3,500	486	
Repair and maintenance	7,000	8,102	
Rental	1,100	1,489	
Miscellaneous	150	520	
Clothing	-	316	
Furniture and office equipment	-	(1,462)	
Total City Administration and Finance	903,600	936,772	\$ 33,172
Information Technology			
Software and IT services	120,000	115,705	
Professional services	3,200	4,695	
Dues, memberships, and subscriptions	-	3,768	
Total Information Technology	123,200	124,168	968
Accounting and Auditing			
Professional services	40,000	40,900	
Printing, publishing, and advertising	1,000	682	
Total Accounting and Auditing	41,000	41,582	582
City Attorney			
Professional services	75,000	57,795	
Fees	30,000	35,000	
Total City Attorney	105,000	92,795	(12,205)
City Hall			
Regular pay	17,300	17,249	
Overtime pay	100	-	
Employee benefits	6,300	6,293	
Workers compensation	1,500	2,327	
Operating supplies	7,000	5,764	
Software & IT Services	-	917	
Motor fuels and oil	2,000	1,112	
Professional services	-	1,628	
Utilities	13,000	14,945	
Repair and maintenance	3,000	684	
Waste removal	1,000	475	
Miscellaneous	150	(510)	
Building Repairs/Maintenance	-	11,213	
Fees	-	360	
Furniture & Office Equipment	-	730	
Total City Hall	51,350	63,187	11,837

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Police			
Regular pay	\$ 1,468,500	\$ 1,475,577	
Overtime pay	50,000	78,974	
Other pay	20,000	22,082	
Misc Payouts	-	53,250	
Employee benefits	581,800	585,370	
Workers compensation	138,000	156,544	
Office supplies	3,500	1,865	
Operating supplies	42,500	44,330	
Software & IT services	61,050	66,934	
Motor fuels and oil	40,000	39,044	
Training Supplies	-	9,149	
Medical Supplies	-	3,877	
Professional services	5,750	7,357	
Communications	35,450	30,697	
Travel and schools	24,250	27,221	
Dues, memberships, and subscriptions	2,050	4,859	
Printing, publishing, and advertising	3,750	2,290	
Utilities	16,000	17,384	
Repair and maintenance	35,500	9,473	
Rental	1,500	1,500	
Waste removal	2,500	2,511	
Miscellaneous	3,000	1,290	
Clothing	4,500	5,015	
Building Repairs/Maintenance	-	2,768	
Vehicle Repairs/Maintenance	-	26,501	
Fees	-	9	
Furniture and office equipment	4,500	5,436	
Machinery and equipment	37,500	10,530	
Testing	-	300	
Total Police	2,581,600	2,692,137	\$ 110,537
Fire			
Regular pay	103,200	108,039	
Overtime pay	-	166	
Other pay	71,000	66,576	
Employee benefits	20,200	37,852	
Workers compensation	46,000	44,090	
Office supplies	500	-	
Operating supplies	5,000	3,397	
Software & IT services	670	127	
Motor fuels and oil	8,500	7,431	
Professional services	7,750	1,123	
Communications	5,600	4,537	
Travel and schools	10,000	20,666	
Dues, memberships, and subscriptions	500	2,274	
Printing, publishing, and advertising	500	-	
Utilities	13,000	13,886	
Repair and maintenance	14,725	2,723	
Waste removal	150	164	
Miscellaneous	800	439	
Clothing	2,400	3,208	
Building Repairs/Maintenance	-	1,484	
Vehicle Repairs/Maintenance	-	9,713	
Fees	100	-	
Testing	-	8,779	
Total Fire	310,595	336,674	26,079

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Emergency Management			
Professional services	\$ 3,000	\$ 2,275	
Travel and schools	11,500	16,671	
Dues, memberships, and subscriptions	-	200	
Utilities	4,000	4,847	
Repair and maintenance	3,500	1,569	
Rental	1,500	-	
Fees	100	-	
Total Emergency Management	23,600	25,562	\$ 1,962
Building Inspection			
Software & IT services	100	104	
Professional services	150,000	234,074	
Communications	1,500	468	
Printing, publishing, and advertising	-	300	
Surcharge	5,600	9,595	
Total Building Inspection	157,200	244,541	87,341
Animal Control			
Regular pay	10,800	10,800	
Workers compensation	350	404	
Operating supplies	300	-	
Professional services	3,500	3,550	
Miscellaneous	40,000	40,000	
Total Animal Control	54,950	54,754	(196)
Public Works			
Regular pay	273,400	252,119	
Overtime pay	1,000	25	
Misc Payouts	-	34,760	
Employee benefits	149,200	116,390	
Workers compensation	2,600	5,302	
Office supplies	1,000	156	
Operating supplies	7,000	9,939	
Software & IT services	10,000	7,041	
Motor fuels and oil	2,500	3,097	
Professional services	1,500	1,329	
Communications	9,000	8,020	
Travel and schools	7,000	2,326	
Dues, memberships, and subscriptions	1,000	2,566	
Printing, publishing, and advertising	350	190	
Repair and maintenance	3,000	4,329	
Miscellaneous	100	-	
Clothing	200	2,305	
Vehicle Repairs/Maintenance	-	1,213	
Testing	-	175	
Total Public Works	468,850	451,282	(17,568)

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Street			
Regular pay	\$ 321,300	\$ 340,866	
Overtime pay	8,500	26,600	
Misc Payouts	-	8,070	
Employee benefits	218,600	205,617	
Workers compensation	25,000	31,090	
Office supplies	200	197	
Operating supplies	25,000	25,194	
Street repair material	15,000	20,628	
Motor fuels and oil	45,000	47,284	
Professional services	500	526	
Communications	3,200	4,592	
Travel and schools	1,000	371	
Dues, memberships, and subscriptions	50	528	
Printing, publishing, and advertising	150	564	
Utilities	20,000	19,546	
Repair and maintenance	20,000	23,747	
Rental	1,500	670	
Waste removal	1,500	1,828	
Miscellaneous	1,000	781	
Clothing	2,000	4,963	
Building Repairs/Maintenance	-	2,436	
Vehicle Repairs/Maintenance	-	9,880	
Fees	1,600	1,772	
Machinery and equipment	-	3,349	
Total Street	711,100	781,099	\$ 69,999
Snow Removal			
Regular pay	60,000	57,014	
Overtime pay	10,000	2,958	
Employee benefits	12,000	9,965	
Workers compensation	6,000	8,142	
Operating supplies	35,000	61,860	
Printing, publishing, and advertising	300	-	
Repair and maintenance	10,000	7,229	
Rental	70,000	45,885	
Vehicle Repairs/Maintenance	-	1,500	
Total Snow Removal	203,300	194,553	(8,747)
Traffic Signs and Lights			
Operating supplies	7,500	305	
Utilities	128,500	144,677	
Repair and maintenance	1,000	5,351	
Total Traffic Signs and Lights	137,000	150,333	13,333

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
GENERAL FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Library			
Regular pay	\$ 17,300	\$ 19,752	
Overtime pay	200	275	
Employee benefits	6,600	6,745	
Workers compensation	1,200	1,533	
Operating supplies	7,500	4,237	
Professional services	-	338	
Communications	1,200	973	
Dues, memberships, and subscriptions	100	115	
Utilities	24,000	30,664	
Repair and maintenance	18,000	2,144	
Waste removal	400	337	
Building Repairs/Maintenance	-	7,870	
Programming	1,000	-	
Fees	150	120	
Improvements	-	(1,020)	
Transfer out - insurance	2,200	5,046	
Total Library	79,850	79,129	\$ (721)
Contributions			
Senior Center contribution	12,400	12,400	-
Miscellaneous			
Bank charges	7,500	11,620	
Sales tax	1,225	804	
Cash short	-	154	
Transfer out - equipment	422,600	422,600	
Transfer out - street improvement	300,000	300,000	
Transfer out - airport operating	20,000	20,000	
Transfer out - airport improvement	40,000	40,000	
Transfer out - insurance	75,000	78,830	
Transfer out - severance	5,000	5,000	
Transfer out - parks and recreation	728,310	728,310	
Transfer out - to various	143,000	143,000	
Total Miscellaneous	1,742,635	1,750,318	7,683
TOTAL EXPENDITURES	7,900,200	8,214,182	313,982
NET CHANGE IN FUND BALANCES	\$ -	(140,397)	\$ (140,397)
FUND BALANCE - BEGINNING		1,584,531	
FUND BALANCE - ENDING		\$ 1,444,134	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
HOUSING AND REDEVELOPMENT AUTHORITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Current ad valorem tax	\$ 110,000	\$ 109,850	
Rental housing license	33,000	33,000	
Interest income	1,500	1,863	
Other	18,000	234	
Sale of property held for sale	-	1	
TOTAL REVENUES	<u>162,500</u>	<u>144,948</u>	\$ (17,552)
EXPENDITURES			
Regular pay	57,740	45,970	
Other Pay	-	920	
Employee benefits	33,800	23,656	
Workers compensation	300	455	
Office supplies	500	-	
Operating Supplies	-	2,648	
Software & IT services	-	104	
Professional services	2,000	1,176	
Communications	400	2,231	
Dues, memberships, and subscriptions	-	12	
Printing, publishing, and advertising	250	457	
Waste removal	1,000	-	
Miscellaneous	22,460	694	
Clothing	-	143	
Furniture and Office Equipment	5,000	-	
Testing	-	125	
Transfer out - general fund	39,000	39,000	
Transfer out - insurance	50	45	
TOTAL EXPENDITURES	<u>162,500</u>	<u>117,636</u>	<u>(44,864)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ 27,312</u>	<u>\$ 27,312</u>
FUND BALANCE - BEGINNING		<u>776,995</u>	
FUND BALANCE - ENDING		<u><u>\$ 804,307</u></u>	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT AUTHORITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Current ad valorem tax	\$ 110,000	\$ 109,089	
Penalty and interest on taxes	-	539	
Rental income	-	(855)	
Lease revenue	-	777	
Loan Repayment	-	1,818	
Lease payments	24,000	7,402	
Interest income	2,000	9,045	
Other Revenue	-	18	
TOTAL REVENUES	136,000	127,833	\$ (8,167)
EXPENDITURES			
Regular pay	1,440	-	
Other Pay	-	520	
Professional services	20,000	15,000	
Communications	100	-	
Dues, memberships, and subscriptions	1,000	1,000	
Printing, publishing, and advertising	500	-	
Utilities	1,000	-	
Repair and maintenance	2,000	-	
Miscellaneous	60,000	50,719	
Improvements	23,560	-	
Loans	-	59,000	
Transfer out - general fund	26,400	26,400	
Transfer out - insurance	-	230	
TOTAL EXPENDITURES	136,000	152,869	16,869
NET CHANGE IN FUND BALANCES	\$ -	(25,036)	\$ (25,036)
FUND BALANCE - BEGINNING		1,376,628	
FUND BALANCE - ENDING		\$ 1,351,592	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PARKS AND RECREATION FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Reservation fees	\$ 1,800	\$ 1,061	
Interest income	200	2,476	
Other revenue	-	7,943	
Franchise fee - Centerpoint	63,000	63,659	
Sale of property held for sale	-	15,235	
Transfer in - general fund	728,310	939,160	
TOTAL REVENUES	793,310	1,029,534	\$ 236,224
EXPENDITURES			
Parks and Playgrounds			
Regular pay	167,100	159,009	
Overtime pay	-	530	
Other Pay	800	120	
Misc Payouts	-	11,757	
Employee benefits	85,100	86,225	
Workers compensation	9,760	6,946	
Operating supplies	11,550	14,055	
Motor fuels and oil	7,500	5,458	
Professional services	8,500	13,905	
Communications	-	373	
Travel and schools	1,200	325	
Dues, memberships, and subscriptions	150	189	
Printing, publishing, and advertising	400	-	
Utilities	13,500	16,660	
Repair and maintenance	6,150	11,745	
Rental	9,000	8,246	
Waste removal	2,000	1,222	
Miscellaneous	1,200	527	
Clothing	600	1,637	
Building Repairs/Maintenance	-	2,021	
Vehicle Repairs/Maintenance	-	899	
Transfer out - insurance	236,850	225,374	
Total Parks and Playgrounds	561,360	567,223	5,863

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
PARKS AND RECREATION FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Ice Rinks			
Regular pay	\$ -	\$ (1,311)	
Utilities	-	(140)	
Total Ice Rinks	-	(1,451)	\$ (1,451)
Zoo			
Regular pay	1,500	2,964	
Employee benefits	200	426	
Workers compensation	150	-	
Operating supplies	100	-	
Miscellaneous	188,000	188,190	
Total Zoo	189,950	191,580	1,630
Other			
Community services	42,000	42,000	
Other Pay	-	120	
Testing	-	460	
Park improvement	-	382,708	
Total Other	42,000	425,288	383,288
TOTAL EXPENDITURES	582,460	971,790	389,330
NET CHANGE IN FUND BALANCES	\$ -	(153,106)	\$ (153,106)
FUND BALANCE - BEGINNING		1,193,726	
FUND BALANCE - ENDING		\$ 1,040,620	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AIRPORT OPERATING FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
State grants	\$ 32,500	\$ 29,254	
County contribution	20,000	-	
Airplane fuel	121,500	208,417	
Interest income	500	1,054	
Airport rental income	54,870	58,062	
Lease revenue	-	4,424	
Other revenue	1,000	302	
Transfer in - general fund	20,000	20,000	
TOTAL REVENUES	250,370	321,513	\$ 71,143
EXPENDITURES			
Regular pay	1,920	-	
Other Pay	-	200	
Operating supplies	2,000	908	
Airplane fuel	110,000	186,328	
Professional services	95,000	97,163	
Communications	2,500	2,202	
Travel and schools	100	-	
Dues, memberships, and subscriptions	150	150	
Utilities	16,500	13,402	
Repair and maintenance	8,000	9,785	
Waste removal	150	270	
Miscellaneous	300	-	
Bank charges	1,800	2,084	
Building Repairs/Maintenance	-	804	
Vehicle Repairs/Maintenance	-	3,212	
Fees	450	1,502	
Furniture/Office Equipment	-	260	
Transfer out - general fund	2,500	2,500	
Transfer out - insurance	9,000	6,103	
TOTAL EXPENDITURES	250,370	326,873	76,503
NET CHANGE IN FUND BALANCES	\$ -	(5,360)	\$ (5,360)
FUND BALANCE - BEGINNING		128,834	
FUND BALANCE - ENDING		\$ 123,474	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER UTILITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Sale of materials	\$ 5,000	\$ 2,576	
Technical service	8,000	11,683	
Investment income, net	4,000	50,152	
Other revenue	800	8,848	
Customer charges	830,000	931,626	
Safe drinking water act fee	30,000	30,373	
Customer deposits	1,500	1,089	
Hook-up fee	-	13,625	
Water service charge	905,000	937,707	
Transfer in	-	264,000	
Capital contributions (net)	-	2,465,999	
TOTAL REVENUES	1,784,300	4,717,678	\$ 2,933,378
EXPENSES			
Water Plant			
Regular pay	222,500	283,584	
Overtime pay	10,000	4,337	
Misc Payouts	-	10,277	
Employee benefits	94,700	83,588	
Workers compensation	9,000	10,187	
Office supplies	400	272	
Operating supplies	15,000	16,578	
Software and IT services	4,400	6,840	
Chemical supplies	131,000	146,166	
Lab supplies	5,000	5,669	
Motor fuels and oil	4,000	2,662	
Professional services	5,000	3,140	
Communications	4,500	4,638	
Travel and schools	4,000	1,040	
Dues, memberships, and subscriptions	2,000	2,098	
Printing, publishing, and advertising	100	-	
Utilities	26,000	32,525	
Repair and maintenance	45,000	31,943	
Rental	3,000	-	
Waste removal	33,000	23,703	
Miscellaneous	300	386	
Clothing	2,500	2,019	
Building Repairs/Maintenance	-	19,534	
Vehicle Repairs/Maintenance	-	327	
Fees	38,000	40,239	
Furniture and office equipment	1,000	-	
Testing	-	4,215	
Transfer out - insurance	8,500	13,501	
Total Water Plant	668,900	749,468	80,568
Power and Pumping			
Operating supplies	300	-	
Professional services	600	-	
Utilities	85,000	107,694	
Repair and maintenance	20,000	8,517	
Total Power and Pumping	105,900	116,211	10,311
Wellhead Protection			
Operating supplies	500	-	
Printing, publishing, and advertising	500	521	
Miscellaneous	50	-	
Total Wellhead Protection	1,050	521	(529)

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
WATER UTILITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Distribution			
Regular pay	\$ 63,100	\$ 77,392	
Overtime pay	1,000	519	
Employee benefits	20,500	36,927	
Workers compensation	2,500	2,817	
Office supplies	50	-	
Operating supplies	56,000	46,971	
Software and IT services	1,500	-	
Motor fuels and oil	3,500	3,832	
Professional services	200	-	
Communications	1,500	962	
Travel and schools	500	383	
Dues, memberships, and subscriptions	100	58	
Printing, publishing, and advertising	1,000	753	
Repair and maintenance	15,000	20,339	
Rental	-	150	
Miscellaneous	50	-	
Clothing	180	393	
Vehicle Repairs/Maintenance	-	1,191	
Fees	1,000	649	
Machinery and equipment	700	-	
Total Distribution	168,380	193,336	\$ 24,956
Administration within Enterprise			
Software and IT services	9,000	14,421	
Professional services	4,200	4,200	
Communications	6,600	6,358	
Printing, publishing, and advertising	1,200	781	
Repair and maintenance	1,200	-	
Rental	600	240	
Miscellaneous	300	-	
Bank charges	100	-	
Total Administration within Enterprise	23,200	26,000	2,800
Unallocated			
Sales tax	14,000	17,800	3,800
Miscellaneous			
Depreciation expense	-	352,906	
Improvements	-	76,691	
Transfer out - improvement	41,370	-	
Transfer out	761,500	685,500	
Total Miscellaneous	802,870	1,115,097	312,227
TOTAL EXPENSES	1,784,300	2,218,433	434,133
CHANGE IN NET POSITION	\$ -	\$ 2,499,245	\$ 2,499,245
NET POSITION - BEGINNING		9,939,113	
NET POSITION - ENDING		\$ 12,438,358	
NET POSITION ANALYSIS			
Operating		\$ 10,539,511	
Improvements		1,898,847	
NET POSITION - ENDING		\$ 12,438,358	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WASTEWATER UTILITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Customer charges	\$ 1,351,600	\$ 1,756,400	
Customer charges - hook-up fees	-	13,625	
Sewer service charge	879,700	869,675	
Interest income	5,000	64,810	
Other revenue	1,200	20,258	
Sale of property held for sale	-	6,950	
Capital contributions (net)	-	1,681,651	
Transfer in - debt service	-	160,000	
TOTAL REVENUES	2,237,500	4,573,369	\$ 2,335,869
EXPENSES			
Waste Plant			
Regular pay	291,000	379,982	
Overtime pay	1,000	2,194	
Employee benefits	112,900	81,395	
Workers compensation	14,000	12,801	
Office supplies	500	359	
Operating supplies	20,000	12,814	
Software and IT services	5,500	7,144	
Chemical supplies	25,000	56,341	
Lab supplies	10,000	5,499	
Motor fuels and oil	8,000	8,547	
Professional services	50,000	7,190	
Communications	4,000	3,205	
Travel and schools	3,500	5,319	
Dues, memberships, and subscriptions	4,000	3,910	
Printing, publishing, and advertising	200	-	
Utilities	265,000	294,323	
Repair and maintenance	65,000	23,848	
Rental	4,000	3,000	
Waste removal	15,000	14,571	
Miscellaneous	100	-	
Clothing	4,500	2,644	
Building Repairs/Maintenance	-	29,320	
Vehicle Repairs/Maintenance	-	805	
Fees	10,000	7,793	
Furniture and office equipment	-	3,312	
Testing	-	71,629	
Transfer out - insurance	17,000	23,423	
Total Waste Plant	930,200	1,061,368	131,168
Collections			
Regular pay	70,000	36,747	
Overtime pay	2,000	1,170	
Employee benefits	11,000	5,461	
Workers compensation	11,500	2,671	
Operating supplies	5,000	9,463	
Motor fuels and oil	500	597	
Professional services	500	2,279	
Utilities	9,000	10,850	
Repair and maintenance	40,000	18,411	
Waste removal	2,000	330	
Vehicle Repairs/Maintenance	-	174	
Fees	1,500	993	
Total Collections	153,000	89,146	(63,854)

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
WASTEWATER UTILITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Administration within Enterprise			
Software and IT services	\$ 10,000	\$ 14,421	
Professional services	4,200	4,200	
Communications	6,600	6,358	
Printing, publishing, and advertising	1,200	781	
Repair and maintenance	600	-	
Rental	300	240	
Miscellaneous	100	-	
Total Administration within Enterprise	23,000	26,000	\$ 3,000
Unallocated			
Refunds	-	7,000	7,000
Miscellaneous			
Depreciation expense	-	314,021	
Bond interest	-	133,506	
Transfer out - improvements	31,500	-	
Transfer out - debt service	730,900	-	
Transfer out	368,900	529,800	
Total Miscellaneous	1,131,300	977,327	(153,973)
TOTAL EXPENSES	2,237,500	2,160,841	(76,659)
CHANGE IN NET POSITION	\$ -	2,412,528	\$ 2,412,528
NET POSITION - BEGINNING		18,877,092	
NET POSITION - ENDING		\$ 21,289,620	
NET POSITION ANALYSIS			
Operating		\$ 19,241,592	
Improvements		2,048,028	
NET POSITION - ENDING		\$ 21,289,620	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
STORM WATER UTILITY FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Interest income	\$ 500	\$ 15,181	
Rental income	500	-	
Other revenue	500	4,010	
Customer charges	123,000	123,820	
TOTAL REVENUES	124,500	143,011	\$ 18,511
EXPENSES			
Storm Water Utility			
Regular pay	55,000	53,240	
Overtime pay	500	296	
Employee benefits	9,000	7,948	
Worker's compensation	5,500	7,506	
Operating supplies	10,000	120	
Motor fuels and oil	1,000	797	
Dues, memberships, and subscriptions	650	670	
Printing, publishing, and advertising	150	-	
Repair and maintenance	4,000	2,198	
Waste removal	3,000	-	
Other	100	(45,142)	
Vehicle Repairs/Maintenance	-	8	
Fees	3,500	3,523	
Improvements	800	-	
Total Storm Water Utility	93,200	31,164	(62,036)
Administration within Enterprise			
Software and IT services	2,000	4,375	
Professional services	600	600	
Communications	5,500	5,737	
Printing, publishing, and advertising	1,200	781	
Repair and maintenance	600	-	
Rental	300	240	
Miscellaneous	100	-	
Total Administration within Enterprise	10,300	11,733	1,433
Miscellaneous			
Depreciation expense	-	2,256	
Improvements	-	67,704	
Transfer out	20,400	20,400	
Transfer out - insurance	600	370	
Total Miscellaneous	21,000	90,730	69,730
TOTAL EXPENSES	124,500	133,627	9,127
CHANGE IN NET POSITION	<u>\$ -</u>	9,384	<u>\$ 9,384</u>
NET POSITION - BEGINNING		782,705	
NET POSITION - ENDING		<u>\$ 792,089</u>	
NET POSITION ANALYSIS			
Operating		\$ 709,525	
Improvements		82,564	
NET POSITION - ENDING		<u>\$ 792,089</u>	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MUNICIPAL GOLF COURSE FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Interest income (loss)	\$ (1,500)	\$ (7,224)	
Rental	800	559	
Other revenue	5,000	9,037	
Donations	-	6,570	
Cash over	-	719	
Sales tax	40,000	40,211	
Membership dues	114,000	112,180	
Greens fees	130,000	140,974	
Equipment rentals	70,400	88,785	
Franchise fee	-	84,622	
Sale of equipment	10,000	10,834	
Range fees	10,000	11,733	
Trail fee	13,000	14,379	
Clothing	3,000	1,258	
Sale of food	55,000	47,493	
Sale of beer	100,000	84,503	
Sale of candy	5,000	6,794	
Sale of pop	12,000	13,271	
Sale of bottled water	2,000	1,805	
Transfer in - general fund	69,750	25,000	
TOTAL REVENUES	638,450	693,503	\$ 55,053
EXPENSES			
Golf Course			
Regular pay	130,000	219,302	
Overtime pay	2,000	6,173	
Employee benefits	19,000	30,574	
Workers compensation	3,000	2,166	
Operating supplies	25,000	13,697	
Software and IT services	5,000	4,920	
Chemical and fertilizer supplies	15,000	34,478	
Motor fuels and oil	20,000	19,057	
Professional services	300	-	
Communications	600	481	
Travel and schools	600	150	
Dues, memberships, and subscriptions	700	760	
Printing, publishing, and advertising	1,500	440	
Utilities	9,000	10,316	
Repair and maintenance	10,000	27,456	
Rental	2,000	-	
Waste removal	1,500	1,050	
Miscellaneous	1,000	2,974	
Clothing	300	169	
Building Repairs/Maintenance	-	3,328	
Vehicle Repairs/Maintenance	-	1,116	
Fees	450	498	
Testing	-	625	
Range supplies	2,500	2,236	
Total Golf Course	249,450	381,966	132,516

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
MUNICIPAL GOLF COURSE FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
Clubhouse/Proshop			
Regular pay	\$ 115,000	\$ 101,179	
Overtime pay	3,000	5,707	
Employee benefits	20,000	27,198	
Workers compensation	2,500	2,837	
Office supplies	600	85	
Operating supplies	15,000	12,458	
Software and IT services	5,000	5,367	
Professional services	300	300	
Communications	2,500	2,038	
Travel and schools	400	405	
Dues, memberships, and subscriptions	7,000	6,060	
Printing, publishing, and advertising	2,500	913	
Insurance	5,000	5,530	
Utilities	15,000	13,843	
Repair and maintenance	4,000	1,790	
Rental	4,000	7,205	
Waste removal	1,500	1,132	
Miscellaneous	400	12	
Clothing	1,400	-	
Bank charges	9,000	11,519	
Building Repairs/Maintenance	-	710	
Fees	4,100	710	
Testing	-	450	
Purchase of food	45,000	34,435	
Purchase of pop	14,000	17,745	
Purchase of candy	4,500	5,859	
Purchase of liquor and beer	45,000	52,568	
Purchase of golf equipment - resale	15,000	10,987	
Total Clubhouse/Proshop	341,700	329,042	\$ (12,658)
Unallocated			
Depreciation expense	-	57,445	
Amortization expense	-	14,087	
Interest and other charges	-	4,194	
Professional service	1,600	72,187	
Sales tax	40,000	40,973	
Golf improvement	-	14,078	
Transfer out - insurance	5,700	4,916	
Total Unallocated	47,300	207,880	160,580
TOTAL EXPENSES	638,450	918,888	280,438
CHANGE IN NET POSITION	\$ -	(225,385)	\$ (225,385)
NET POSITION - BEGINNING		(238,011)	
NET POSITION - ENDING		\$ (463,396)	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
RECYCLING AND GARBAGE FUND
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts- Original and Final	Actual Amounts	Variance with Budget Over (Under)
REVENUES			
Sale of materials	\$ 2,500	\$ 1,173	
Interest income	500	477	
Other revenue	5,000	2,657	
Customer charges - garbage	610,000	634,772	
Customer charges - recycling	175,000	178,783	
Garbage administration fee	53,000	54,271	
Recycling administration fee	95,100	96,179	
Solid waste tax	62,000	67,579	
Grants	29,000	28,983	
TOTAL REVENUES	<u>1,032,100</u>	<u>1,064,874</u>	\$ 32,774
EXPENSES			
Recycling			
Regular pay	-	84	
Employee benefits	-	76	
Professional services	175,000	198,372	
Communications	100	2	
Printing, publishing, and advertising	450	455	
Waste removal	7,600	5,792	
Miscellaneous	2,000	1,600	
Total Recycling	<u>185,150</u>	<u>206,381</u>	21,231
Garbage			
Regular pay	2,000	2,624	
Employee benefits	500	-	
Workers compensation	600	582	
Software and IT services	750	660	
Professional services	610,000	626,301	
Communications	500	-	
Waste removal	100	-	
Machinery and equipment	8,000	-	
Garbage bags	3,500	683	
Total Garbage	<u>625,950</u>	<u>630,850</u>	4,900
Administration within Enterprise			
Software and IT services	2,000	4,375	
Professional services	4,200	4,200	
Communications	5,500	5,737	
Printing, publishing, and advertising	1,200	781	
Repair and maintenance	600	-	
Rental	300	240	
Miscellaneous	100	-	
Total Administration within Enterprise	<u>13,900</u>	<u>15,333</u>	1,433
Unallocated			
Refunds	250	-	(250)
Miscellaneous			
Depreciation expense	-	68	
Sales tax	62,000	66,157	
Transfer out - insurance	500	564	
Transfer out - equipment	18,000	-	
Transfer out	126,350	126,350	
Total Miscellaneous	<u>206,850</u>	<u>193,139</u>	(13,711)
TOTAL EXPENSES	<u>1,032,100</u>	<u>1,045,703</u>	<u>13,603</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>19,171</u>	<u>\$ 19,171</u>
NET POSITION - BEGINNING		<u>9,250</u>	
NET POSITION - ENDING		<u>\$ 28,421</u>	

**CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF DEBT MATURITIES
DECEMBER 31, 2023**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
GOVERNMENTAL DEBT			
2024	\$ 1,477,497	\$ 494,588	\$ 1,972,085
2025	2,164,224	540,581	2,704,805
2026	1,451,026	496,799	1,947,825
2027	1,468,907	454,092	1,922,999
2028	1,325,870	412,907	1,738,777
2029	1,378,920	372,594	1,751,514
2030	1,401,060	330,785	1,731,845
2031	1,374,297	288,568	1,662,865
2032	1,240,000	248,426	1,488,426
2033	1,211,000	210,716	1,421,716
2034	1,168,000	173,842	1,341,842
2035	1,050,000	138,969	1,188,969
2036	1,077,000	104,997	1,181,997
2037	914,000	71,804	985,804
2038	807,000	40,211	847,211
2039	595,000	12,272	607,272
	<u>\$ 20,103,801</u>	<u>\$ 4,392,151</u>	<u>\$ 24,495,952</u>

BUSINESS-TYPE DEBT

2024	\$ 512,526	\$ 139,339	\$ 651,865
2025	518,907	133,127	652,034
2026	498,853	126,803	625,656
2027	497,349	121,726	619,075
2028	502,000	116,750	618,750
2029	507,000	111,730	618,730
2030	512,000	106,660	618,660
2031	518,000	101,540	619,540
2032	523,000	96,360	619,360
2033	528,000	91,130	619,130
2034	533,000	85,850	618,850
2035	539,000	80,520	619,520
2036	544,000	75,130	619,130
2037	549,000	69,690	618,690
2038	555,000	64,200	619,200
2039	561,000	58,650	619,650
2040	566,000	53,040	619,040
2041	572,000	47,380	619,380
2042	577,000	41,660	618,660
2043	583,000	35,890	618,890
2044	589,000	30,060	619,060
2045	595,000	24,170	619,170
2046	601,000	18,220	619,220
2047	607,000	12,210	619,210
2048	201,736	6,140	207,876
	<u>\$ 13,290,371</u>	<u>\$ 1,847,975</u>	<u>\$ 15,138,346</u>

**CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE
DECEMBER 31, 2023**

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>
GOVERNMENTAL DEBT					
General Obligation PIR Fund Bonds Series 2011B	9/1/2011	3.20	2/1/2024	\$ 85,000	\$ 11,760
		4.00	2/1/2025	90,000	8,600
		4.00	2/1/2026	90,000	5,000
		4.00	2/1/2027	80,000	1,600
				<u>345,000</u>	<u>26,960</u>
General Obligation Advance Refunding Series 2013A	1/1/2013	1.80	2/1/2024	95,000	7,050
		2.10	2/1/2025	100,000	5,145
		2.10	2/1/2026	100,000	3,045
		2.10	2/1/2027	95,000	998
				<u>390,000</u>	<u>16,238</u>
General Obligation Revolving Fund Series 2015A	3/1/2015	2.00	2/1/2024	65,000	12,580
		2.60	2/1/2025	65,000	11,085
		2.60	2/1/2026	70,000	9,330
		2.60	2/1/2027	70,000	7,510
		3.00	2/1/2028	70,000	5,550
		3.00	2/1/2029	75,000	3,375
		3.00	2/1/2030	75,000	1,125
				<u>490,000</u>	<u>50,555</u>

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)
DECEMBER 31, 2023

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>
GOVERNMENTAL DEBT (Continued)					
General Obligation Refunding Bonds Series 2015B	4/1/2015	2.10	2/1/2024	190,000	3,885
		2.10	2/1/2025	90,000	945
				<u>280,000</u>	<u>4,830</u>
General Obligation Revolving Fund Series 2015C	12/1/2015	2.10	2/1/2024	70,000	13,971
		2.10	2/1/2025	70,000	12,501
		2.50	2/1/2026	70,000	10,891
		2.50	2/1/2027	70,000	9,141
		2.70	2/1/2028	70,000	7,321
		2.70	2/1/2029	75,000	5,363
		2.90	2/1/2030	75,000	3,263
		2.90	2/1/2031	75,000	1,088
				<u>575,000</u>	<u>63,539</u>
General Obligation Revolving Fund Series 2017A	5/1/2017	2.00	2/1/2024	55,000	14,250
		2.00	2/1/2025	55,000	13,150
		3.00	2/1/2026	55,000	11,775
		3.00	2/1/2027	55,000	10,125
		3.00	2/1/2028	60,000	8,400
		3.00	2/1/2029	60,000	6,600
		3.00	2/1/2030	60,000	4,800
		3.00	2/1/2031	65,000	2,925
		3.00	2/1/2032	65,000	975
				<u>530,000</u>	<u>73,000</u>

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)
DECEMBER 31, 2023

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>
GOVERNMENTAL DEBT (Continued)					
General Obligation Refunding Bonds Series 2017B	5/1/2017	2.00	2/1/2024	280,000	14,300
		2.00	2/1/2025	290,000	8,600
		3.00	2/1/2026	25,000	5,325
		3.00	2/1/2027	30,000	4,500
		3.00	2/1/2028	30,000	3,600
		3.00	2/1/2029	35,000	2,625
		3.00	2/1/2030	35,000	1,575
		3.00	2/1/2031	35,000	525
				<u>760,000</u>	<u>41,050</u>
General Obligation Refunding Bonds Series 2018A	5/1/2018	2.40	2/1/2024	55,000	18,640
		3.00	2/1/2025	60,000	17,080
		3.00	2/1/2026	60,000	15,280
		3.00	2/1/2027	60,000	13,480
		3.00	2/1/2028	60,000	11,680
		3.00	2/1/2029	65,000	9,805
		3.00	2/1/2030	65,000	7,855
		3.00	2/1/2031	70,000	5,760
		3.00	2/1/2032	70,000	3,520
		3.00	2/1/2033	75,000	1,200
				<u>640,000</u>	<u>104,300</u>
General Obligation Revolving Bonds Series 2019A	5/1/2019	3.00	2/1/2024	115,000	41,025
		3.00	2/1/2025	115,000	37,575
		3.00	2/1/2026	120,000	34,050
		3.00	2/1/2027	120,000	30,450
		3.00	2/1/2028	125,000	26,775
		3.00	2/1/2029	130,000	22,950
		3.00	2/1/2030	130,000	19,050
		3.00	2/1/2031	135,000	15,075
		3.00	2/1/2032	140,000	10,950
		3.00	2/1/2033	145,000	6,675
		3.00	2/1/2034	150,000	2,250
				<u>1,425,000</u>	<u>246,825</u>

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)
DECEMBER 31, 2023

	<div>Issue Date</div>	<div>Interest Rate</div>	<div>Maturity Date</div>	<div>Principal</div>	<div>Interest</div>
GOVERNMENTAL DEBT (Continued)					
General Obligation Revolving Bonds Series 2020A	7/20/2020	1.00	2/1/2024	165,000	31,021
		1.00	2/1/2025	165,000	29,371
		1.00	2/1/2026	165,000	27,721
		1.00	2/1/2027	170,000	26,046
		1.00	2/1/2028	170,000	24,346
		1.13	2/1/2029	175,000	22,512
		1.25	2/1/2030	175,000	20,434
		1.38	2/1/2031	180,000	18,103
		1.50	2/1/2032	185,000	15,478
		1.60	2/1/2033	185,000	12,610
		1.70	2/1/2034	190,000	9,515
		2.00	2/1/2035	195,000	5,950
		2.00	2/1/2036	200,000	2,000
					2,320,000
General Obligation Revolving Bonds Series 2021A	6/1/2021	1.38	2/1/2024	110,000	24,026
		1.38	2/1/2025	110,000	22,514
		1.38	2/1/2026	115,000	20,966
		1.38	2/1/2027	115,000	19,386
		1.38	2/1/2028	115,000	17,804
		1.38	2/1/2029	115,000	16,223
		1.38	2/1/2030	120,000	14,608
		1.38	2/1/2031	120,000	12,957
		1.50	2/1/2032	120,000	11,233
		1.50	2/1/2033	125,000	9,395
		1.55	2/1/2034	125,000	7,489
		1.55	2/1/2035	130,000	5,512
		1.70	2/1/2036	130,000	3,400
		1.70	2/1/2037	135,000	1,148
			1,685,000	186,661	

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)
DECEMBER 31, 2023

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>
GOVERNMENTAL DEBT (Continued)					
General Obligation Revolving Bonds Series 2022A	6/2/2022	3.30	2/1/2024	150,000	91,773
		3.30	2/1/2025	155,000	86,740
		3.30	2/1/2026	160,000	81,543
		3.30	2/1/2027	166,000	76,164
		3.30	2/1/2028	171,000	70,603
		3.30	2/1/2029	177,000	64,862
		3.30	2/1/2030	182,000	58,938
		3.30	2/1/2031	188,000	52,833
		3.30	2/1/2032	195,000	46,514
		3.30	2/1/2033	201,000	39,980
		3.30	2/1/2034	208,000	33,231
		3.30	2/1/2035	215,000	26,251
		3.30	2/1/2036	222,000	19,041
		3.30	2/1/2037	229,000	11,600
		3.30	2/1/2038	237,000	3,910
				<u>2,856,000</u>	<u>763,983</u>
General Obligation Revolving Bonds Series 2023A	11/20/2023	4.00	2/1/2024	-	195,262
		4.00	2/1/2025	305,000	273,956
		4.00	2/1/2026	375,000	260,356
		4.00	2/1/2027	390,000	245,056
		4.00	2/1/2028	405,000	229,156
		4.00	2/1/2029	420,000	212,657
		4.00	2/1/2030	430,000	195,656
		4.00	2/1/2031	450,000	178,056
		4.00	2/1/2032	465,000	159,756
		4.00	2/1/2033	480,000	140,856
		4.00	2/1/2034	495,000	121,357
		4.00	2/1/2035	510,000	101,256
		4.00	2/1/2036	525,000	80,556
		4.00	2/1/2037	550,000	59,056
		4.13	2/1/2038	570,000	36,301
		4.13	2/1/2039	595,000	12,272
				<u>6,965,000</u>	<u>2,501,565</u>

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)
DECEMBER 31, 2023

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>
GOVERNMENTAL DEBT (Continued)					
Lakeshirts MIF Loan	6/30/2022	0.00	4/1/2024	-	-
		0.00	4/1/2025	<u>450,000</u>	<u>-</u>
				450,000	-
Axon Body Cameras	1/1/2022	3.25	12/30/2024	28,620	7,397
		3.25	12/30/2025	29,564	6,453
		3.25	12/30/2026	30,539	5,478
		3.25	12/30/2027	31,546	4,471
		3.25	12/30/2028	32,587	3,430
		3.25	12/30/2029	33,662	2,355
		3.25	12/30/2030	34,772	1,244
		3.25	12/30/2031	<u>35,920</u>	<u>97</u>
				257,210	30,925
Axon Fleet Cameras	1/1/2023	5.50	12/30/2024	13,877	7,648
		5.50	12/30/2025	14,660	6,866
		5.50	12/30/2026	15,487	6,039
		5.50	12/30/2027	16,361	5,165
		5.50	12/30/2028	17,283	4,242
		5.50	12/30/2029	18,258	3,267
		5.50	12/30/2030	19,288	2,237
		5.50	12/30/2031	<u>20,377</u>	<u>1,149</u>
				135,591	36,613
TOTAL GOVERNMENTAL DEBT				<u><u>\$ 20,103,801</u></u>	<u><u>\$ 4,392,151</u></u>

CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF BONDS AND NOTES PAYABLE (CONTINUED)
DECEMBER 31, 2023

	Issue Date	Interest Rate	Maturity Date	Principal	Interest
BUSINESS-TYPE DEBT					
General Obligation Wastewater Revenue Note of 2019 Taxable	7/1/2019	1.00	8/20/2024	\$ 483,000	\$ 136,360
		1.00	8/20/2025	488,000	131,530
		1.00	8/20/2026	493,000	126,650
		1.00	8/20/2027	497,000	121,720
		1.00	8/20/2028	502,000	116,750
		1.00	8/20/2029	507,000	111,730
		1.00	8/20/2030	512,000	106,660
		1.00	8/20/2031	518,000	101,540
		1.00	8/20/2032	523,000	96,360
		1.00	8/20/2033	528,000	91,130
		1.00	8/20/2034	533,000	85,850
		1.00	8/20/2035	539,000	80,520
		1.00	8/20/2036	544,000	75,130
		1.00	8/20/2037	549,000	69,690
		1.00	8/20/2038	555,000	64,200
		1.00	8/20/2039	561,000	58,650
		1.00	8/20/2040	566,000	53,040
		1.00	8/20/2041	572,000	47,380
		1.00	8/20/2042	577,000	41,660
		1.00	8/20/2043	583,000	35,890
		1.00	8/20/2044	589,000	30,060
		1.00	8/20/2045	595,000	24,170
		1.00	8/20/2046	601,000	18,220
		1.00	8/20/2047	607,000	12,210
		1.00	8/20/2048	201,736	6,140
			13,223,736	1,843,240	
Lawn Mower	5/1/2021	4.75	5/1/2024	24,150	2,349
		4.75	5/1/2025	25,297	1,201
				49,447	3,550
TX Turf Gator	6/29/2022	4.75	6/29/2024	1,869	256
		4.75	6/29/2025	1,960	165
		4.75	6/29/2026	2,055	70
		4.75	6/29/2027	349	6
				6,233	497
Bunker Rake	5/5/2022	4.00	5/5/2024	3,507	374
		4.00	5/5/2025	3,650	231
		4.00	5/5/2026	3,798	83
				10,955	688
TOTAL BUSINESS-TYPE DEBT				\$ 13,290,371	\$ 1,847,975

**CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF INDEBTEDNESS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

	Issue Date	Interest Rate	Maturity Date	Initial Authorized Issue	Outstanding Balance 01/01/23	Issued	Paid	Outstanding Balance 12/31/23	Principal Due in 2024
GOVERNMENTAL DEBTS									
GO Permanent Improvement Revolving Fund Bonds - 2011B	9/1/2011	1.00-4.00%	2/1/2027	\$ 1,220,000	\$ 430,000	\$ -	\$ 85,000	\$ 345,000	\$ 85,000
GO Advanced Refunding Bonds - 2013A	1/1/2013	0.45-2.10%	2/1/2027	2,585,000	485,000	-	95,000	390,000	95,000
GO Permanent Improvement Revolving Fund Bonds - 2015A	3/1/2015	1.00-3.00%	2/1/2030	1,000,000	555,000	-	65,000	490,000	65,000
GO Refunding Bonds - 2015B	4/1/2015	2.00-2.10%	2/1/2025	2,555,000	615,000	-	335,000	280,000	190,000
GO Permanent Improvement Revolving Fund Bonds - 2015C	12/1/2015	1.10-2.90%	2/1/2031	1,045,000	645,000	-	70,000	575,000	70,000
GO Permanent Improvement Revolving Fund Bonds - 2017A	5/1/2017	2.00-3.00%	2/1/2032	885,000	585,000	-	55,000	530,000	55,000
GO Refunding Bonds - 2017B	5/1/2017	2.00-3.00%	2/1/2031	3,280,000	1,035,000	-	275,000	760,000	280,000
GO Permanent Improvement Revolving Fund Bonds - 2018A	5/1/2018	2.00-3.20%	2/1/2033	910,000	695,000	-	55,000	640,000	55,000
GO Permanent Improvement Revolving Fund Bonds - 2019A	5/1/2019	3.00%	2/1/2034	1,755,000	1,535,000	-	110,000	1,425,000	115,000
GO Permanent Improvement Revolving Fund Bonds - 2020A	7/20/2020	1.00-2.00%	2/1/2036	2,640,000	2,480,000	-	160,000	2,320,000	165,000
GO Permanent Improvement Revolving Fund Bonds - 2021A	6/1/2021	1.38-1.70%	2/1/2037	1,795,000	1,795,000	-	110,000	1,685,000	110,000
GO Permanent Improvement Revolving Fund Bonds - 2022A	6/2/2022	3.30%	2/1/2038	2,856,000	2,856,000	-	-	2,856,000	150,000
GO Permanent Improvement Revolving Fund Bonds - 2023A	11/20/2023	4.00-4.13%	2/1/2039	6,965,000	-	6,965,000	-	6,965,000	-
Lakeshirts MIF Loan - Note Payable	6/30/2022	0.00%	4/1/2025	450,000	450,000	-	-	450,000	-
Axon Body Cameras - Financing Arrangement	1/1/2022	3.25%	12/30/2031	311,737	284,916	-	27,706	257,210	28,620
Axon Fleet Cameras - Financing Arrangement	1/1/2023	5.50%	12/30/2031	169,476	-	169,476	33,885	135,591	13,877
2022 Ford Interceptor - Unit #26H5TQ - Lease Liability	1/1/2023	7.50%	10/31/2026	28,637	-	28,637	6,698	21,939	7,218
2022 Ford F-150 - Unit #26HB8W - Lease Liability	1/1/2023	7.50%	12/31/2026	25,848	-	25,848	5,756	20,092	6,203
2022 Ford F-350 Chassis - Unit #26HCPX - Lease Liability	4/1/2023	8.00%	3/31/2028	32,156	-	32,156	4,045	28,111	5,784
2023 Chevy Malibu - Unit #26HCQF - Lease Liability	7/1/2023	8.25%	6/30/2028	19,779	-	19,779	1,632	18,147	3,473
2023 Ford F150 Lighting - Unit #277QKW - Lease Liability	10/1/2023	8.50%	9/30/2027	42,511	-	42,511	2,256	40,255	9,517
2023 Ford F-150 Lighting - Unit #277QKQ - Lease Liability	11/1/2023	8.50%	10/31/2027	39,981	-	39,981	1,410	38,571	8,888
TOTAL GOVERNMENTAL DEBTS				30,611,125	14,445,916	7,323,388	1,498,388	20,270,916	1,518,580
ENTERPRISE DEBT									
GO Wastewater Revenue (PFA) Taxable Bonds - 2019	7/1/2019	1.00%	8/20/2048	15,498,248	13,620,140	81,596	478,000	13,223,736	483,000
Lawn Mowers - Financing Arrangement	5/1/2021	4.75%	5/1/2025	121,008	72,501	-	23,054	49,447	24,150
TX Turf Gator - Financing Arrangement	6/29/2022	4.75%	6/29/2027	9,554	8,016	-	1,783	6,233	1,869
Bunker Rake - Financing Arrangement	5/5/2022	4.00%	5/5/2027	17,797	14,324	-	3,369	10,955	3,507
Fairway Mower - Lease Liability	11/10/2022	7.00%	10/10/2027	56,958	55,404	-	9,590	45,814	10,284
Golf Greens Roller - Lease Liability	6/20/2023	6.95%	6/20/2026	14,834	-	14,834	4,080	10,754	4,748
TOTAL ENTERPRISE DEBTS				15,718,399	13,770,385	96,430	519,876	13,346,939	527,558
TOTAL INDEBTEDNESS				<u>\$ 46,329,524</u>	<u>\$ 28,216,301</u>	<u>\$ 7,419,818</u>	<u>\$ 2,018,264</u>	<u>\$ 33,617,855</u>	<u>\$ 2,046,138</u>

**OTHER REQUIRED REPORTS
AND SCHEDULES**

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

Honorable Mayor and City Council
City of Little Falls, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Little Falls, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Little Falls' basic financial statements and have issued our report thereon dated July 1, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Responses*, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings and Responses* as item 2012-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings and Responses* as item 2012-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

Minnesota Legal Compliance

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

City of Little Falls' Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City of Little Falls' response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Responses* and *Corrective Action Plans*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



SCHLENNER WENNER & CO.

St. Cloud, Minnesota

July 1, 2024

**CITY OF LITTLE FALLS, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS

Finding 2012-001 Limited Segregation of Duties

Condition: During our audit we reviewed procedures over cash receipts, cash disbursements, payroll and financial reporting and found the City to have limited segregation of duties over those transaction cycles.

Criteria: Internal control that supports the City's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties. In other words, no one person may have control over two or more of these responsibilities.

Cause: Limited number of staff members.

Effect: The existence of limited segregation of duties could adversely affect the City's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Recommendation: Although the number of staff members may not be large enough to eliminate this deficiency, we recommend that the City evaluate current procedures and segregate where possible and implement compensating controls. It is important that the Council is aware of this condition and monitor all financial information.

*Views of Responsible
Officials And Planned
Corrective Actions:* Management agrees with the recommendation. See corresponding Corrective Action Plan.

Finding 2012-002 Financial Statement Preparation

Condition: Schlenner Wenner & Co. drafted the audited financial statements and related footnote disclosures for the City. It is management's responsibility to provide for the preparation of financial statements and the auditors' responsibility to determine the fairness of the presentation. This deficiency could result in a material misstatement that could have been prevented or detected by management.

Criteria: Internal controls over financial reporting should be in place to provide for the preparation of financial statements on an annual basis.

Cause: The City's staff does not possess the expertise to prepare financial statements internally. This is not unusual for a City of your size.

Effect: The inability to internally prepare the City's financial statements can result in undetected errors in financial reporting.

Recommendation: We recommend that management review a draft of the financial statements in detail for accuracy. During review we recommend a disclosure checklist be utilized to ensure all required disclosures are presented and the City should agree the financial statement numbers to their accounting software. The City may not have the ability to eliminate this finding.

*Views of Responsible
Officials And Planned
Corrective Actions:* Management agrees with the recommendation. See corresponding Corrective Action Plan.

**CITY OF LITTLE FALLS, MINNESOTA
CORRECTIVE ACTION PLANS
DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS

Finding 2012-001 Limited Segregation of Duties

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
The City currently has the following procedures in place:
 - The City's Department Heads review all invoices received. The City Council also reviews the invoices and approves the expenditures.
 - The City utilizes claim listings which are approved by the City Administrator.The City will review current procedures and implement additional controls where possible.
3. Official Responsible
Ms. Hannah Kurkowski, Finance Director, is the official responsible for ensuring corrective action.
4. Planned Completion Date
The Corrective Action Plan will be reviewed on an ongoing basis with no anticipated completion date.
5. Plan to Monitor Completion
The City Council will be monitoring this Corrective Action Plan.

Finding 2012-002 Financial Statement Preparation

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
The City may continue to have the auditor prepare the financial statements and will continue to document the annual review of the financial statements and related footnote disclosures. The City will revisit this decision on an ongoing annual basis.
3. Official Responsible
Ms. Hannah Kurkowski, Finance Director, is the official responsible for ensuring corrective action.
4. Planned Completion Date
The Corrective Action Plan will be reviewed on an ongoing basis with no anticipated completion date.
5. Plan to Monitor Completion
The City Council will be monitoring this Corrective Action Plan.