



Annual Financial Report

City of Maple Plain

Maple Plain, Minnesota

For the year ended December 31, 2023



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INTRODUCTORY SECTION

CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Julie Maas-Kusske	Mayor	12/31/24
Michael DeLuca	Council Member	12/31/24
John Fay	Council Member	12/31/24
Andrew Burak	Council Member	12/31/26
Connie Francis	Council Member	12/31/26

APPOINTED

Jacob Kolander	City Administrator
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FINANCIAL SECTION
CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Maple Plain, Minnesota

Report on Financial Statements

Opinion

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 Maple Plain, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire Partnership funds 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Schedule of Employer's Share of the Net Pension Liability, the Schedule of Employer's Contributions, Notes to the Required Information and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios starting on page 76 be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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Minneapolis, Minnesota
April 23, 2024



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Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased as shown in the summary of changes in net assets table on the following pages. The decrease can be attributed to a significant increase in expenses such as public works and public safety activity during the year.
- As of the close of the current fiscal year, the City's governmental funds reported a decrease in the combined ending fund balance while in comparison to the prior year. The decrease is due to a significant balance of engineering fees in the Capital Project fund.
- At the end of the current fiscal year, unassigned fund balance for the General fund decreased over the prior year. The decrease is mainly due to additional costs related to public works and general government contracted services.
- The City's total outstanding debt decreased during the current fiscal year. The decrease was a result of scheduled debt service payments as shown on the outstanding debt table.

Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

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

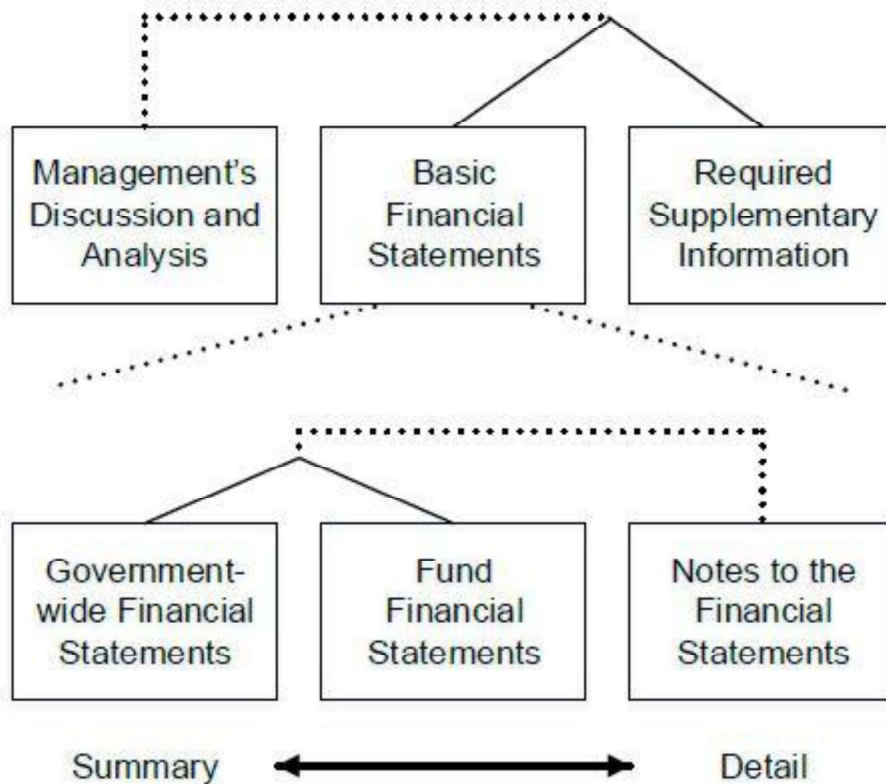


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Positions • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Positions • Statements of Revenues, Expenses and Changes in Fund Net Positions • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

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

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

The government-wide financial statements start on page 33 of this report.

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

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

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

The City maintains numerous individual governmental funds, seven of which are debt service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Fire Partnership, Capital Project, and the Debt Service funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

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

The basic governmental fund financial statements start on page 38 of this report.

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

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

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

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Maple Plain’s share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 76 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 82 of this report.

Government-wide Financial Analysis

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

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

City of Maple Plain’s Summary of Net Position

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Assets						
Current and other assets	\$ 6,224,490	\$ 6,765,859	\$ (541,369)	\$ 2,207,396	\$ 2,364,897	\$ (157,501)
Capital assets	7,850,136	8,216,899	(366,763)	8,706,986	8,952,599	(245,613)
Total Assets	14,074,626	14,982,758	(908,132)	10,914,382	11,317,496	(403,114)
Deferred Outflows of Resources	328,295	172,537	155,758	-	-	-
Liabilities						
Noncurrent liabilities	4,514,930	4,821,817	(306,887)	5,310,913	5,846,023	(535,110)
Other liabilities	665,738	759,514	(93,776)	114,973	120,095	(5,122)
Total Liabilities	5,180,668	5,581,331	(400,663)	5,425,886	5,966,118	(540,232)
Deferred Inflows of Resources	977,175	1,003,264	(26,089)	-	-	-
Net Position						
Net investment in capital assets	3,489,615	3,691,695	(202,080)	3,457,425	3,318,706	138,719
Restricted	1,747,518	1,266,822	480,696	-	-	-
Unrestricted	3,007,945	3,612,183	(604,238)	2,031,071	2,032,672	(1,601)
Total Net Position	\$ 8,245,078	\$ 8,570,700	\$ (325,622)	\$ 5,488,496	\$ 5,351,378	\$ 137,118

The remaining unrestricted balance may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive and negative balances for its categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The City’s net position decreased overall during the current fiscal year.

Governmental Activities. Governmental activities decreased the City's net position during the year. The statement of activities starts on page 32. Key elements of these changes are as follows:

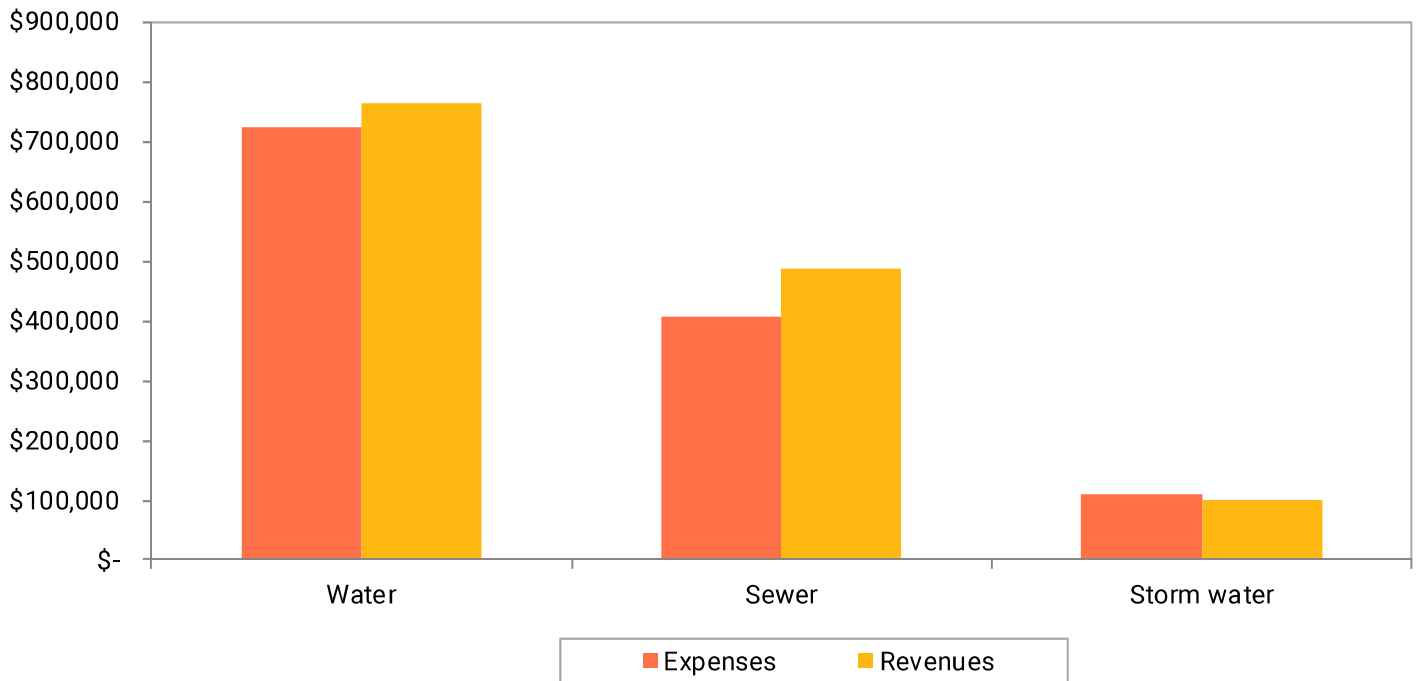
City of Maple Plain's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 455,718	\$ 504,165	\$ (48,447)	\$ 1,064,042	\$ 1,078,632	\$ (14,590)
Operating grants and contributions	182,908	47,658	135,250	56,946	-	56,946
Capital grants and contributions	67,103	75,633	(8,530)	231,647	105,070	126,577
General Revenues						
Taxes	1,738,070	1,579,194	158,876	-	-	-
Grants and contributions not restricted to specific programs	224,355	271,505	(47,150)	-	-	-
Unrestricted investment earnings	63,090	30,533	32,557	28,332	12,190	16,142
Miscellaneous revenue	14,712	10,294	4,418	-	-	-
Total Revenues	<u>2,745,956</u>	<u>2,518,982</u>	<u>226,974</u>	<u>1,380,967</u>	<u>1,195,892</u>	<u>185,075</u>
Expenses						
General government	417,115	546,423	(129,308)	-	-	-
Public safety	1,695,739	1,198,840	496,899	-	-	-
Public works	648,674	376,379	272,295	-	-	-
Culture and recreation	156,798	148,609	8,189	-	-	-
Economic development	29,555	6,066	23,489	-	-	-
Interest on long-term debt	123,697	153,282	(29,585)	-	-	-
Water	-	-	-	725,089	560,751	164,338
Sewer	-	-	-	407,964	367,819	40,145
Storm sewer	-	-	-	110,796	110,164	632
Total Expenses	<u>3,071,578</u>	<u>2,429,599</u>	<u>641,979</u>	<u>1,243,849</u>	<u>1,038,734</u>	<u>205,115</u>
Change in Net Position	<u>(325,622)</u>	<u>89,383</u>	<u>(415,005)</u>	<u>137,118</u>	<u>157,158</u>	<u>(20,040)</u>
Net Position, January 1	<u>8,570,700</u>	<u>8,481,317</u>	<u>89,383</u>	<u>5,351,378</u>	<u>5,194,220</u>	<u>157,158</u>
Net Position, December 31	<u>\$ 8,245,078</u>	<u>\$ 8,570,700</u>	<u>\$ (325,622)</u>	<u>\$ 5,488,496</u>	<u>\$ 5,351,378</u>	<u>\$ 137,118</u>

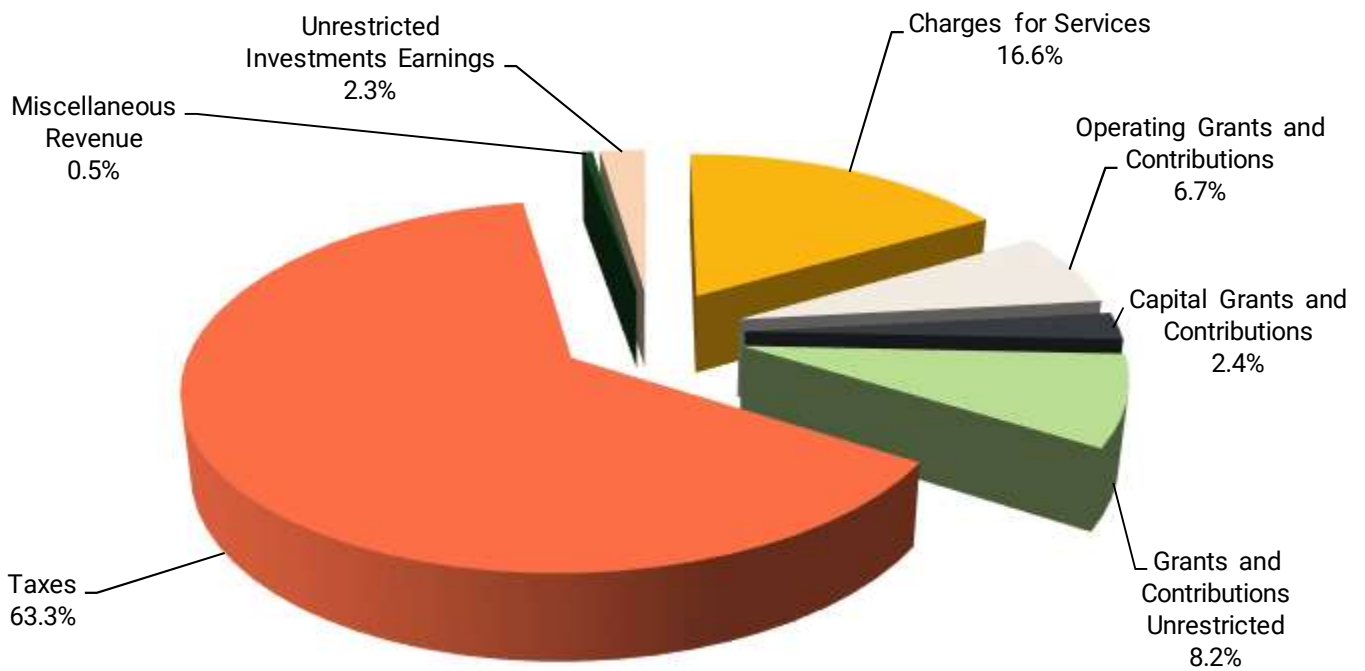
The decrease can be attributed to a significant increase in expenditures such as public works and public safety activity during the year.

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

Expenses and Program Revenues - Governmental Activities



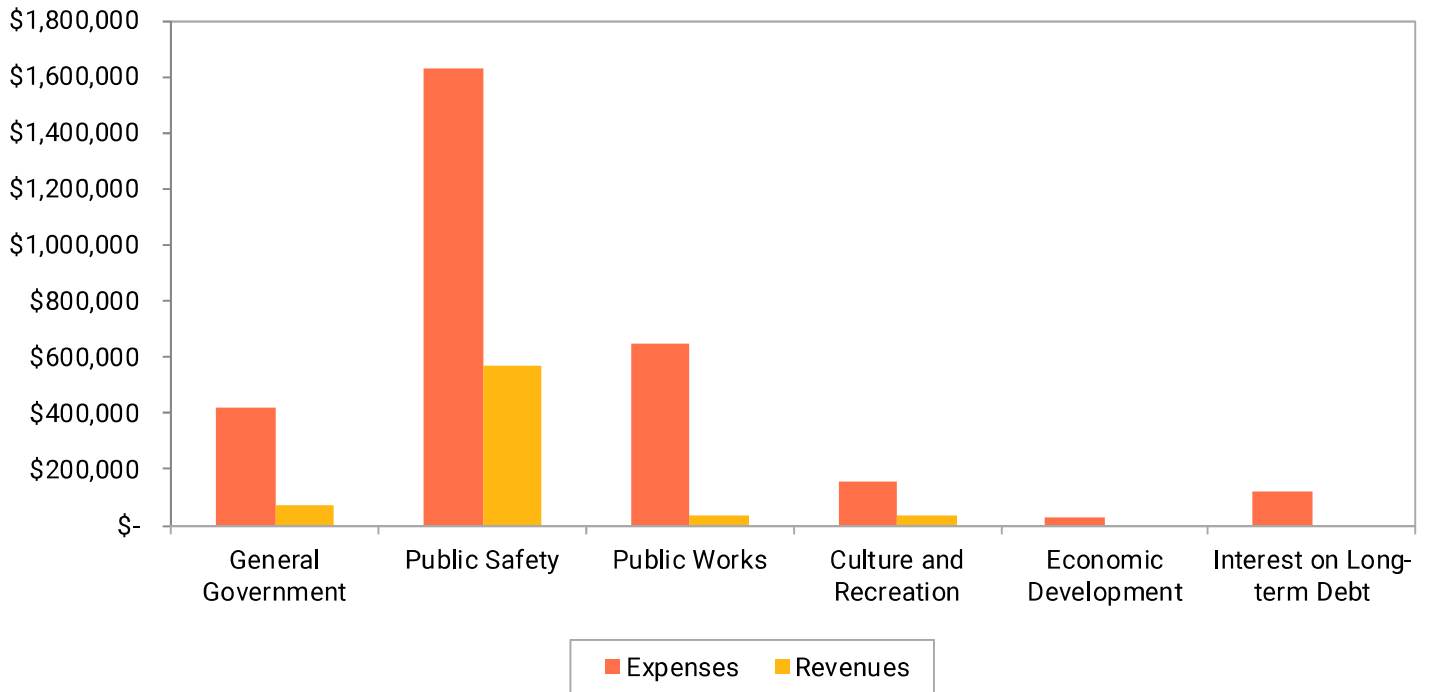
Revenues by Source - Governmental Activities



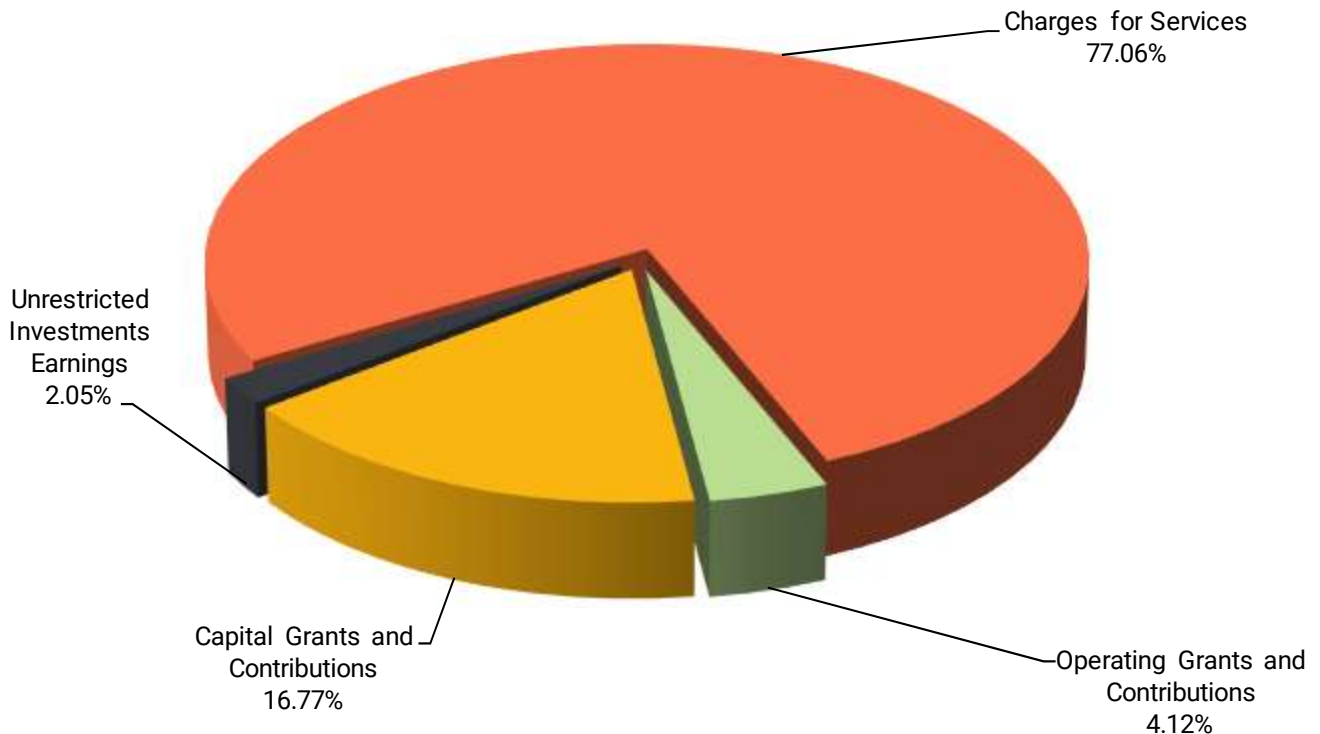
Business-type Activities. Business-type activities increased the City’s net position during the year. Key elements of this decrease are as follows:

- Charges for services of business-type activities decreased due to less water sales, more specifically, less utility usages during the year.
- Total operating grants and contributions increased due to a grant the city received during the year

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

	General Fund	Fire Partnership	Capital Project	Debt Service	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ 139,605	\$ -	\$ -	\$ -	\$ -	\$ 139,605	\$ 98,917	\$ 40,688
Restricted for	127,539	-	23,823	871,992	-	1,023,354	899,745	123,609
Committed for	-	412,144	-	-	77,895	490,039	449,751	40,288
Assigned for	1,537	-	2,141,649	-	-	2,143,186	2,178,471	(35,285)
Unassigned	831,127	-	-	-	(250,306)	580,821	896,820	(315,999)
	<u>\$1,099,808</u>	<u>\$ 412,144</u>	<u>\$2,165,472</u>	<u>\$ 871,992</u>	<u>\$ (172,411)</u>	<u>\$4,377,005</u>	<u>\$4,523,704</u>	<u>\$ (146,699)</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 47 of this report.

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

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 139,605	\$ 93,109	\$ 46,496
Restricted	127,539	-	127,539
Assigned	1,537	1,514	23
Unassigned	831,127	1,076,549	(245,422)
	<u>\$ 1,099,808</u>	<u>\$ 1,171,172</u>	<u>\$ (71,364)</u>
General Fund expenditures	\$ 1,944,210	\$ 1,688,760	
Unassigned as a percent of expenditures	42.7%	63.7%	
Total Fund Balance as a percent of expenditures	56.6%	69.4%	

The fund balance of the City's General fund decreased during the current fiscal year as shown in the table above. The decrease can be attributed to a significant increase in expenditures such as public works and public safety activity during the year.

Other major governmental fund analysis is shown below:

	December 31, 2023	December 31, 2022	Increase (Decrease)
Fire Partnership	<u>\$ 412,144</u>	<u>\$ 369,306</u>	<u>\$ 42,838</u>
<i>The Fire Partnership increase in fund balance during the year can be mainly attributed to a budgeted excess of revenues over expenditures, more specifically intergovernmental revenues</i>			
Capital Project fund	<u>\$ 2,165,472</u>	<u>\$ 2,200,132</u>	<u>\$ (34,660)</u>
<i>The Capital Project fund decrease in fund balance during the year was due to a significant increase in engineering fees related to project costs</i>			
Debt Service fund	<u>\$ 871,992</u>	<u>\$ 772,347</u>	<u>\$ 99,645</u>
<i>The Debt Service fund increase in fund balance during the year was due to transfers made to move excess bond proceeds from the capital funds</i>			

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

	Ending Net Position 2023	Ending Net Position 2022	Increase/ (Decrease)
Water Utility	<u>\$ 3,398,909</u>	<u>\$ 3,341,200</u>	<u>\$ 57,709</u>
<i>The increase in the Water Utility fund is primarily related to a significant increase in connection fees during the year</i>			
Sewer Utility	<u>\$ 1,155,623</u>	<u>\$ 1,072,642</u>	<u>\$ 82,981</u>
<i>The increase in the Sewer Utility fund can be mainly attributed to an increase in utility rates for the year</i>			
Storm Water Utility	<u>\$ 933,964</u>	<u>\$ 937,536</u>	<u>\$ (3,572)</u>
<i>The slight decrease in the Storm Water Utility fund is due to capital contributions offsetting a loss for the year</i>			

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 1,878,220	\$ -	\$ 1,878,220	\$ 1,982,846	\$ 104,626
Expenditures	<u>1,756,220</u>	<u>-</u>	<u>1,756,220</u>	<u>1,944,210</u>	<u>(187,990)</u>
Excess of Revenues Over Expenditures	122,000	-	122,000	38,636	(83,364)
Other Financing Sources (Uses) Transfers out	<u>(122,000)</u>	<u>-</u>	<u>(122,000)</u>	<u>(110,000)</u>	<u>12,000</u>
Net Change in Fund Balances	-	-	-	(71,364)	(71,364)
Fund Balances, January 1	<u>1,171,172</u>	<u>-</u>	<u>1,171,172</u>	<u>1,171,172</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,171,172</u>	<u>\$ -</u>	<u>\$ 1,171,172</u>	<u>\$ 1,099,808</u>	<u>\$ (71,364)</u>

The City's General fund budget called for no change in fund balance, but actual amounts for 2023 resulted in an decrease in fund balance.

Overall, revenues were over budget with tax property revenue and local government aid as the largest source of funding.

Expenditures were also over budget. The public works department had the highest variance due to more expenditures in personal services, supplies, and other services & charges, than originally anticipated.

Fire Partnership Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 525,735	\$ -	\$ 525,735	\$ 541,855	\$ 16,120
Expenditures	<u>470,364</u>	<u>-</u>	<u>470,364</u>	<u>499,017</u>	<u>(28,653)</u>
Net Change in Fund Balances	55,371	-	55,371	42,838	(12,533)
Fund Balances, January 1	<u>369,306</u>	<u>-</u>	<u>369,306</u>	<u>369,306</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 424,677</u>	<u>\$ -</u>	<u>\$ 424,677</u>	<u>\$ 412,144</u>	<u>\$ (12,533)</u>

The Fire Partnership budget called for an increase in fund balance, but actual amounts for 2023 resulted in an increase in fund balance lower than budgeted.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2023 increased, (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, and roads and other infrastructure.

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

City of Maple Plain's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land	\$ 2,190,661	\$ 2,190,661	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-	17,998	(17,998)
Buildings and Structures	5,842	6,715	(873)	-	-	-
Improvements other than Buildings	828,673	883,475	(54,802)	-	-	-
Machinery and Equipment	461,512	540,292	(78,780)	6,661	12,588	(5,927)
Infrastructure	4,295,317	4,490,463	(195,146)	8,700,325	8,922,013	(221,688)
Leased Building (Intangible Right to Use Asset)	68,131	105,293	(37,162)	-	-	-
Total	\$ 7,850,136	\$ 8,216,899	\$ (366,763)	\$ 8,706,986	\$ 8,952,599	\$ (245,613)

Long-term Debt. At the end of the current fiscal year, the City had outstanding G.O. Revenue bonds and G.O. Special Assessment bonds.

Additional information on the City's long-term debt can be found in Note 3E starting on page 60 of this report.

City of Maple Plain's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Lease Payable	\$ 71,058	\$ 107,445	\$ (36,387)	\$ -	\$ -	\$ -
G.O. Special Assessment Bonds	4,226,522	4,475,000	(248,478)	-	-	-
G.O. Revenue Bonds	-	-	-	5,202,478	5,718,000	(515,522)
Unamortized Premium	62,941	70,157	-	108,435	128,023	-
Total	\$ 4,360,521	\$ 4,652,602	\$ (284,865)	\$ 5,310,913	\$ 5,846,023	\$ (515,522)

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City's applicable outstanding debt at year end is well below the statutory limit.

Economic Factors and Next Year's Budgets and Rates

The 2024 work plan includes;

- Additional updates to reporting tools and quarterly financial reviews.
- Continued updates to the CIP.
- Fine-tuning and updating the Long-Term Financial Plan.
- Updating the 2023 Utility Rate Study to determine 2024 rate increase.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Maple Plain, 5050 Independence Street, Maple Plain, MN 55359.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of Maple Plain, Minnesota

Statement of Net Position

December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 4,622,125	\$ 1,370,091	\$ 5,992,216
Receivables			
Delinquent taxes	32,862	-	32,862
Accounts	4,639	269,696	274,335
Lease	757,279	-	757,279
Special assessments	541,044	515,043	1,056,087
Due from other governments	529	-	529
Prepays	106,915	18,530	125,445
Inventories	-	34,036	34,036
Net pension asset	159,097	-	159,097
Capital assets			
Nondepreciable	2,190,661	-	2,190,661
Depreciable assets, net of accumulated depreciation/amortization	5,659,475	8,706,986	14,366,461
Total Assets	<u>14,074,626</u>	<u>10,914,382</u>	<u>24,989,008</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>328,295</u>	<u>-</u>	<u>328,295</u>
Liabilities			
Accounts and contracts payable	117,357	52,784	170,141
Accrued salaries payable	31,820	-	31,820
Unearned revenue	248,572	-	248,572
Accrued interest payable	50,966	62,189	113,155
Investment in joint venture deficit	217,023	-	217,023
Noncurrent liabilities			
Due within one year			
Long-term liabilities	297,907	537,036	834,943
Due in more than one year			
Long-term liabilities	4,071,634	4,773,877	8,845,511
Net pension liability	145,389	-	145,389
Total Liabilities	<u>5,180,668</u>	<u>5,425,886</u>	<u>10,606,554</u>
Deferred Inflows of Resources			
Deferred lease resources	724,589	-	724,589
Deferred pension resources	252,586	-	252,586
Total Deferred Inflows of Resources	<u>977,175</u>	<u>-</u>	<u>977,175</u>
Net Position			
Net investment in capital assets	3,489,615	3,457,425	6,947,040
Restricted:			
Debt service	1,314,910	-	1,314,910
Park improvements	23,823	-	23,823
Public safety	127,539	-	127,539
Fire pension	281,246	-	281,246
Unrestricted	<u>3,007,945</u>	<u>2,031,071</u>	<u>5,039,016</u>
Total Net Position	<u>\$ 8,245,078</u>	<u>\$ 5,488,496</u>	<u>\$ 13,733,574</u>

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

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 417,115	\$ 66,002	\$ 1,882	\$ -
Public safety	1,695,739	389,716	181,026	-
Public works	648,674	-	-	33,530
Culture and recreation	156,798	-	-	33,573
Economic development	29,555	-	-	-
Interest on long-term debt	123,697	-	-	-
Total Governmental Activities	<u>3,071,578</u>	<u>455,718</u>	<u>182,908</u>	<u>67,103</u>
Business-type Activities				
Water	725,089	557,687	-	206,244
Sewer	407,964	415,758	56,946	15,916
Storm water	110,796	90,597	-	9,487
Total Business-type Activities	<u>1,243,849</u>	<u>1,064,042</u>	<u>56,946</u>	<u>231,647</u>
Total	<u>\$ 4,315,427</u>	<u>\$ 1,519,760</u>	<u>\$ 239,854</u>	<u>\$ 298,750</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous revenue

Total General Revenues

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (349,231)	\$ -	\$ (349,231)
(1,124,997)	-	(1,124,997)
(615,144)	-	(615,144)
(123,225)	-	(123,225)
(29,555)	-	(29,555)
(123,697)	-	(123,697)
<u>(2,365,849)</u>	<u>-</u>	<u>(2,365,849)</u>
-	38,842	38,842
-	80,656	80,656
-	(10,712)	(10,712)
<u>-</u>	<u>108,786</u>	<u>108,786</u>
<u>(2,365,849)</u>	<u>108,786</u>	<u>(2,257,063)</u>
1,439,023	-	1,439,023
287,991	-	287,991
11,056	-	11,056
224,355	-	224,355
63,090	28,332	91,422
14,712	-	14,712
<u>2,040,227</u>	<u>28,332</u>	<u>2,068,559</u>
(325,622)	137,118	(188,504)
<u>8,570,700</u>	<u>5,351,378</u>	<u>13,922,078</u>
<u>\$ 8,245,078</u>	<u>\$ 5,488,496</u>	<u>\$ 13,733,574</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Maple Plain, Minnesota

Balance Sheet

Governmental Funds

December 31, 2023

	101	801/802/803		451	Other	Total
	General	Fire Partnership	Debt Service	Capital Project	Governmental Funds	Governmental Funds
Assets						
Cash and temporary investments	\$ 1,072,239	\$ 448,933	\$ 871,103	\$ 2,165,472	\$ 64,378	\$ 4,622,125
Receivables						
Delinquent taxes	32,862	-	-	-	-	32,862
Accounts	3,139	1,500	-	-	-	4,639
Lease	757,279	-	-	-	-	757,279
Special assessments	46,271	-	494,773	-	-	541,044
Due from other governments	529	-	-	-	-	529
Prepaid items	106,915	-	-	-	-	106,915
Total Assets	\$ 2,019,234	\$ 450,433	\$ 1,365,876	\$ 2,165,472	\$ 64,378	\$ 6,065,393
Liabilities						
Accounts and contracts payable	\$ 95,963	\$ 15,628	\$ -	\$ -	\$ 5,766	\$ 117,357
Accrued salaries payable	9,159	22,661	-	-	-	31,820
Unearned revenue	17,549	-	-	-	231,023	248,572
Total Liabilities	122,671	38,289	-	-	236,789	397,749
Deferred Inflows of Resources						
Unavailable revenue - taxes	25,895	-	-	-	-	25,895
Unavailable revenue - special assessments	46,271	-	493,884	-	-	540,155
Deferred lease resources	724,589	-	-	-	-	724,589
Total Deferred Inflows of Resources	796,755	-	493,884	-	-	1,290,639
Fund Balances						
Nonspendable	139,605	-	-	-	-	139,605
Restricted	127,539	-	871,992	23,823	-	1,023,354
Committed	-	412,144	-	-	77,895	490,039
Assigned	1,537	-	-	2,141,649	-	2,143,186
Unassigned	831,127	-	-	-	(250,306)	580,821
Total Fund Balances	1,099,808	412,144	871,992	2,165,472	(172,411)	4,377,005
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,019,234	\$ 450,433	\$ 1,365,876	\$ 2,165,472	\$ 64,378	\$ 6,065,393

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

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

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

Total Fund Balances - Governmental	\$ 4,377,005
Governmental funds do not report a liability for equity interest in the joint venture deficit	(217,023)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Cost of capital assets	12,217,040
Less: accumulated depreciation/amortization	(4,366,904)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	159,097
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bond principal payable	(4,226,522)
Bond premium payable	(62,941)
Lease payable	(71,058)
Net pension liability	(145,389)
Compensated absences payable	(9,020)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenues in the funds.	
Taxes receivable	25,895
Special assessments receivable	540,155
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	328,295
Deferred inflows of pension resources	(252,586)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(50,966)</u>
Total Net Position - Governmental Activities	<u>\$ 8,245,078</u>

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

City of Maple Plain, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	101	801/802/803	451			
	General	Fire Partnership	Capital Project	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 1,445,226	\$ -	\$ -	\$ 287,991	\$ -	\$ 1,733,217
Licenses and permits	67,194	-	-	-	-	67,194
Intergovernmental	351,912	53,487	-	-	-	405,399
Charges for services	5,550	486,986	27,573	-	-	520,109
Fines and forfeitures	12,976	-	-	-	-	12,976
Special assessments	688	-	-	77,912	-	78,600
Interest on investments	18,282	1,182	31,495	9,109	3,022	63,090
Miscellaneous	81,018	200	-	-	-	81,218
Total Revenues	<u>1,982,846</u>	<u>541,855</u>	<u>59,068</u>	<u>375,012</u>	<u>3,022</u>	<u>2,961,803</u>
Expenditures						
Current						
General government	633,362	-	-	-	-	633,362
Public safety	931,274	487,855	-	-	-	1,419,129
Public works	231,476	-	-	-	-	231,476
Culture and recreation	82,265	-	-	-	-	82,265
Economic development	2,500	-	-	-	7,755	10,255
Capital outlay						
General government	50	-	-	-	-	50
Public safety	-	11,162	-	-	-	11,162
Public works	-	-	179,449	-	71,259	250,708
Culture and recreation	6,415	-	24,279	-	-	30,694
Economic development	19,300	-	-	-	-	19,300
Debt service						
Principal	36,387	-	-	248,478	-	284,865
Interest and other	1,181	-	-	134,055	-	135,236
Total Expenditures	<u>1,944,210</u>	<u>499,017</u>	<u>203,728</u>	<u>382,533</u>	<u>79,014</u>	<u>3,108,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>38,636</u>	<u>42,838</u>	<u>(144,660)</u>	<u>(7,521)</u>	<u>(75,992)</u>	<u>(146,699)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	110,000	107,166	-	217,166
Transfers out	(110,000)	-	-	-	(107,166)	(217,166)
Total Other Financing Sources (Uses)	<u>(110,000)</u>	<u>-</u>	<u>110,000</u>	<u>107,166</u>	<u>(107,166)</u>	<u>-</u>
Net Change in Fund Balances	(71,364)	42,838	(34,660)	99,645	(183,158)	(146,699)
Fund Balances, January 1	<u>1,171,172</u>	<u>369,306</u>	<u>2,200,132</u>	<u>772,347</u>	<u>10,747</u>	<u>4,523,704</u>
Fund Balances, December 31	<u>\$ 1,099,808</u>	<u>\$ 412,144</u>	<u>\$ 2,165,472</u>	<u>\$ 871,992</u>	<u>\$ (172,411)</u>	<u>\$ 4,377,005</u>

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

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

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

Net Change in Fund Balances - Governmental Funds	\$ (146,699)
Governmental funds do not report income or loss in a joint venture	(8,955)
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 and amortization expense.	
Capital outlay	71,403
Depreciation/amortization expense	(438,166)
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, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments	284,865
Premium amortization	7,216
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	4,323
Long-term pension activity is not reported in governmental funds.	
Pension expense	(61,856)
Direct aid contributions	(18)
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available.	
Property taxes	4,853
Special assessments	(44,382)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	1,794
Change in Net Position - Governmental Activities	\$ (325,622)

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

City of Maple Plain, Minnesota
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
General and Fire Partnership Funds
For the Year Ended December 31, 2023

	General			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,449,957	\$ 1,449,957	\$ 1,445,226	\$ (4,731)
Licenses and permits	50,880	50,880	67,194	16,314
Intergovernmental	298,982	298,982	351,912	52,930
Charges for services	14,601	14,601	5,550	(9,051)
Fines and forfeitures	12,500	12,500	12,976	476
Special assessments	-	-	688	688
Interest on investments	3,000	3,000	18,282	15,282
Miscellaneous	48,300	48,300	81,018	32,718
Total Revenues	<u>1,878,220</u>	<u>1,878,220</u>	<u>1,982,846</u>	<u>104,626</u>
Expenditures				
Current				
General government	564,764	564,764	633,362	(68,598)
Public safety	933,507	933,507	931,274	2,233
Public works	164,615	164,615	231,476	(66,861)
Culture and recreation	90,834	90,834	82,265	8,569
Economic development	2,500	2,500	2,500	-
Capital outlay				
General government	-	-	50	(50)
Public safety	-	-	-	-
Culture and recreation	-	-	6,415	(6,415)
Economic development	-	-	19,300	(19,300)
Debt service				
Principal	-	-	36,387	(36,387)
Interest and other	-	-	1,181	(1,181)
Total Expenditures	<u>1,756,220</u>	<u>1,756,220</u>	<u>1,944,210</u>	<u>(187,990)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	122,000	122,000	38,636	(83,364)
Other Financing Sources (Uses)				
Transfers out	<u>(122,000)</u>	<u>(122,000)</u>	<u>(110,000)</u>	<u>12,000</u>
Net Change in Fund Balances	-	-	(71,364)	(71,364)
Fund Balances, January 1	<u>1,171,172</u>	<u>1,171,172</u>	<u>1,171,172</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,171,172</u>	<u>\$ 1,171,172</u>	<u>\$ 1,099,808</u>	<u>\$ (71,364)</u>

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

Fire Partnership

Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
39,500	39,500	53,487	13,987
486,235	486,235	486,986	751
-	-	-	-
-	-	-	-
-	-	1,182	1,182
-	-	200	200
<u>525,735</u>	<u>525,735</u>	<u>541,855</u>	<u>16,120</u>
-	-	-	-
463,344	463,344	487,855	(24,511)
-	-	-	-
-	-	-	-
-	-	-	-
7,020	7,020	11,162	(4,142)
-	-	-	-
-	-	-	-
-	-	-	-
<u>470,364</u>	<u>470,364</u>	<u>499,017</u>	<u>(28,653)</u>
55,371	55,371	42,838	(12,533)
-	-	-	-
55,371	55,371	42,838	(12,533)
<u>369,306</u>	<u>369,306</u>	<u>369,306</u>	<u>-</u>
<u>\$ 424,677</u>	<u>\$ 424,677</u>	<u>\$ 412,144</u>	<u>\$ (12,533)</u>

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

City of Maple Plain, Minnesota

Statement of Net Position

Proprietary Funds

December 31, 2023

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
Assets				
Current Assets				
Cash and temporary investments	\$ 874,843	\$ 4,934	\$ 490,314	\$ 1,370,091
Receivables				
Accounts	127,669	113,116	28,911	269,696
Special assessments	23,899	16,523	11,987	52,409
Inventories	34,036	-	-	34,036
Prepaid items	435	18,095	-	18,530
Total Current Assets	1,060,882	152,668	531,212	1,744,762
Noncurrent Assets				
Special assessments receivable	209,361	148,896	104,377	462,634
Capital assets				
Equipment and machinery	-	144,744	-	144,744
Infrastructure	8,358,878	3,114,881	1,499,190	12,972,949
Less accumulated depreciation	(3,036,875)	(1,030,580)	(343,252)	(4,410,707)
Net Capital Assets	5,322,003	2,229,045	1,155,938	8,706,986
Total Noncurrent Assets	5,531,364	2,377,941	1,260,315	9,169,620
Total Assets	6,592,246	2,530,609	1,791,527	10,914,382
Liabilities				
Current Liabilities				
Accounts payable	33,588	6,987	12,209	52,784
Accrued interest payable	35,107	17,757	9,325	62,189
Bonds payable - current	376,378	110,658	50,000	537,036
Total Current Liabilities	445,073	135,402	71,534	652,009
Noncurrent Liabilities				
Bonds payable	2,748,264	1,239,584	786,029	4,773,877
Total Liabilities	3,193,337	1,374,986	857,563	5,425,886
Net Position				
Net investment in capital assets	2,225,362	912,154	319,909	3,457,425
Unrestricted	1,173,547	243,469	614,055	2,031,071
Total Net Position	\$ 3,398,909	\$ 1,155,623	\$ 933,964	\$ 5,488,496

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

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
Operating Revenues				
Charges for services	\$ 557,112	\$ 415,818	\$ 90,597	\$ 1,063,527
Operating Expenses				
Personal services	-	-	-	-
Supplies	5,876	1,000	-	6,876
Repairs and maintenance	107,223	17,260	-	124,483
Depreciation	240,824	86,352	49,584	376,760
Professional services	134,870	242,793	12,976	390,639
Contracted services	-	12,002	4,915	16,917
Insurance	13,500	2,813	-	16,313
Utilities	47,644	2,662	-	50,306
Other	99,472	7,904	20,900	128,276
Total Operating Expenses	<u>649,409</u>	<u>372,786</u>	<u>88,375</u>	<u>1,110,570</u>
Operating Income (Loss)	<u>(92,297)</u>	<u>43,032</u>	<u>2,222</u>	<u>(47,043)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	18,927	2,265	7,140	28,332
Intergovernmental	-	56,946	-	56,946
Miscellaneous	515	-	-	515
Interest expense	(75,680)	(35,178)	(22,421)	(133,279)
Total Nonoperating Revenues (Expenses)	<u>(56,238)</u>	<u>24,033</u>	<u>(15,281)</u>	<u>(47,486)</u>
Income (Loss) Before Contributions	<u>(148,535)</u>	<u>67,065</u>	<u>(13,059)</u>	<u>(94,529)</u>
Capital Contributions				
Special assessments	18,744	15,916	9,487	44,147
Connection fees	187,500	-	-	187,500
Total Capital Contributions	<u>206,244</u>	<u>15,916</u>	<u>9,487</u>	<u>231,647</u>
Change in Net Position	57,709	82,981	(3,572)	137,118
Net Position, January 1	<u>3,341,200</u>	<u>1,072,642</u>	<u>937,536</u>	<u>5,351,378</u>
Net Position, December 31	<u>\$ 3,398,909</u>	<u>\$ 1,155,623</u>	<u>\$ 933,964</u>	<u>\$ 5,488,496</u>

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

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Storm Water	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 560,313	\$ 466,889	\$ 82,058	\$ 1,109,260
Payments to suppliers	(415,377)	(282,188)	(30,497)	(728,062)
Payments to employees	-	(303)	-	(303)
Net Cash Provided by Operating Activities	<u>144,936</u>	<u>184,398</u>	<u>51,561</u>	<u>380,895</u>
Cash Flows from Capital and Related Financing Activities				
Connection fees received	187,500	-	-	187,500
Acquisition of capital assets	(37,832)	(93,315)	-	(131,147)
Principal payments on revenue bonds	(358,183)	(112,339)	(45,000)	(515,522)
Interest paid on bonds	(91,726)	(45,017)	(22,961)	(159,704)
Special assessments received	38,850	30,210	21,067	90,127
Net Cash Used by Capital and Related Financing Activities	<u>(261,391)</u>	<u>(220,461)</u>	<u>(46,894)</u>	<u>(528,746)</u>
Cash Flows from Investing Activities				
Interest received on investments	<u>18,927</u>	<u>2,265</u>	<u>7,140</u>	<u>28,332</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(97,528)	(33,798)	11,807	(119,519)
Cash and Cash Equivalents, January 1	<u>972,371</u>	<u>38,732</u>	<u>478,507</u>	<u>1,489,610</u>
Cash and Cash Equivalents, December 31	<u>\$ 874,843</u>	<u>\$ 4,934</u>	<u>\$ 490,314</u>	<u>\$ 1,370,091</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (92,297)	\$ 43,032	\$ 2,222	\$ (47,043)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	240,824	86,352	49,584	376,760
Other receipts	515	56,946	-	57,461
(Increase) decrease in assets/deferred outflows				
Accounts receivable	1,586	(4,819)	(7,393)	(10,626)
Special assessments receivable	1,100	(1,056)	(1,146)	(1,102)
Prepaid items	4,529	488	-	5,017
Inventories	(1,287)	-	-	(1,287)
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	(9,287)	3,455	8,294	2,462
Due to other governments	(747)	-	-	(747)
Net Cash Provided by Operating Activities	<u>\$ 144,936</u>	<u>\$ 184,398</u>	<u>\$ 51,561</u>	<u>\$ 380,895</u>
Schedule of Noncash Capital Financing Activities				
Amortization of bond premium	<u>\$ 10,716</u>	<u>\$ 8,817</u>	<u>\$ 55</u>	<u>\$ 19,588</u>

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Maple Plain (the City) operates under the "Optional Plan A" form of government as defined in Minnesota statutes. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. The City has the following component unit:

Blended Component Unit. The Economic Development Authority (EDA) of the City was created in 2006 pursuant to Minnesota statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. It is comprised of the members of the City Council and two members at large with a December 31 year end. The EDA activities are blended and reported as a special revenue fund due to substantively the same governing board and the financial benefit/burden relationship. Separate financial statements are not issued for this component unit.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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 *Fire Partnership fund* is a special revenue fund which accounts for charges for service that are committed for activities of the fire partnership agreement with the City of Independence.

The *Debt Service fund* accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Capital Project fund* accounts for the resources accumulated and payments made for purchases of capital projects.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

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

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

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

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

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

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

Deposits and Investments

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

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Earnings on investments are allocated to the individual funds based upon the average cash and investment balances.

Property Taxes

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

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

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2023. The City annually certifies delinquent water, sewer and storm water accounts to the County for collection in the following year.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Special Assessments

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

Inventories

All inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) method.

Prepaid Items

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

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000, or as shown below; (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. For financial statement purposes only, a capitalization threshold is established for each capital asset category as follows:

Assets	Amount
Land and Land Improvements	\$ 10,000
Other Improvements	25,000
Buildings	25,000
Building Improvements	25,000
Machinery and Equipment	5,000
Vehicles	5,000
Infrastructure	100,000
Other Assets	5,000

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Assets	Useful Lives in Years
Land Improvements	15 to 30
Other Improvements	10 to 20
Buildings	20 to 40
Machinery and Equipment	3 to 15
Infrastructure	20 to 60
Vehicles	3 to 15

Deferred Outflows of Resources

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

Pensions

Public Employees Retirement Association

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Fire Relief Association

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Maple Plain Fire Department Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employees Plan (GERP) and Fire Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)		Fire Relief Association	Total All Plans
	GERP	DCP		
	Pension Expense	\$ 68,525		

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Limited amounts of vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In such an instance, the General fund would be used to liquidate the liability.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

Deferred Inflows of Resources

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

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

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

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

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 60 percent of budgeted operating expenditures for cash-flow timing needs.

Net Position

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

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

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

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

On or before July 1 of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in December.

The appropriated budget is prepared by fund, function and department. The City's department heads, with the approval of the City Administrator, may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. There were no budget amendments made during 2023.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2023 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 1,756,220	\$ 1,944,210	\$ 187,990
Fire Partnership	470,364	499,017	28,653
Total	<u>\$ 2,226,584</u>	<u>\$ 2,443,227</u>	<u>\$ 216,643</u>

These excess expenditures were funded by excess fund balance and greater than anticipated revenues.

C. Deficit Fund Equity

The following fund had a fund balance deficit at December 31, 2023:

Fund	Amount
Nonmajor Governmental	
Downtown Development	\$ 179,729
2024 Street Reconstruction	70,577
Total	<u>\$ 250,306</u>

The deficits are expected to be eliminated with future revenues related to bond issuances and transfers from other funds.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

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

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

Authorized collateral in lieu of a corporate surety bond includes:

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

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

At year end, the City's carrying amount of deposits, bank balance, FDIC coverage and pledged collateral are shown in the chart below.

Carrying amount of deposits	\$ <u>2,545,225</u>
Bank balance	\$ 2,675,895
Covered by FDIC	<u>(500,000)</u>
Collateralized with securities pledged in City's name	<u>\$ 2,175,895</u>

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

Investments

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

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

Types of Investments	Credit Quality/ Ratings	Segmented Time Distribution (1)	Amount
Investments at Amortized Costs			
Minnesota Municipal Money Market Fund	N/A	less than 6 months	<u>\$ 3,446,766</u>

(1) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicated not applicable or available.

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 to the list on page 56 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk.* Is the risk of loss attributed to the magnitude of a government's investment in a single issuer.
- *Interest Rate Risk.* Is the risk that changes in interest rates will adversely affect the fair value of an investment.

The City does not currently have a formal investment policy that addresses the above mentioned risks.

Cash and Investments Summary

A reconciliation of cash and investments as reported on the statement of net position follows:

Carrying Amount of Deposits	\$ 2,545,225
Petty Cash	225
Investments	<u>3,446,766</u>
 Total	 <u>\$ 5,992,216</u>

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

B. Lease Receivable

As of December 31, 2023, the City had the following lease receivable:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
T-Mobile Antenna Lease Agreement	01/01/17	1.30 %	<u>\$ 33,434</u>	<u>\$ 757,279</u>

Under the T-Mobile Antenna Lease Agreement, T-Mobile pays the City monthly for 228 remaining months in exchange for a site upon which to operate communication facilities supporting telecommunications. The monthly receipt amount for 2023 was \$2,705.

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated/Amortized				
Land	\$ 2,190,661	\$ -	\$ -	\$ 2,190,661
Capital Assets Being Depreciated/Amortized				
Buildings	545,200	-	-	545,200
Improvements other than buildings	1,198,504	-	-	1,198,504
Machinery and equipment	2,851,108	71,403	-	2,922,511
Infrastructure	5,217,709	-	-	5,217,709
Leased building (intangible right to use asset)	142,455	-	-	142,455
Total Capital Assets Being Depreciated/Amortized	<u>9,954,976</u>	<u>71,403</u>	<u>-</u>	<u>10,026,379</u>
Less Accumulated Depreciation/Amortization				
Buildings	(538,485)	(873)	-	(539,358)
Improvements other than buildings	(315,029)	(54,802)	-	(369,831)
Machinery and equipment	(2,310,816)	(150,183)	-	(2,460,999)
Infrastructure	(727,246)	(195,146)	-	(922,392)
Leased building (intangible right to use asset)	(37,162)	(37,162)	-	(74,324)
Total Accumulated Depreciation/Amortization	<u>(3,928,738)</u>	<u>(438,166)</u>	<u>-</u>	<u>(4,366,904)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>6,026,238</u>	<u>(366,763)</u>	<u>-</u>	<u>5,659,475</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,216,899</u>	<u>\$ (366,763)</u>	<u>\$ -</u>	<u>\$ 7,850,136</u>

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets not Being Depreciated				
Construction in progress	\$ 17,998	\$ 93,316	\$ (111,314)	\$ -
Capital Assets Being Depreciated				
Machinery and equipment	144,744	-	-	144,744
Infrastructure	12,823,804	149,145	-	12,972,949
Total Capital Assets Being Depreciated	<u>12,968,548</u>	<u>149,145</u>	<u>-</u>	<u>13,117,693</u>
Less Accumulated Depreciation for				
Machinery and equipment	(132,156)	(5,927)	-	(138,083)
Infrastructure	(3,901,791)	(370,833)	-	(4,272,624)
Total Accumulated Depreciation	<u>(4,033,947)</u>	<u>(376,760)</u>	<u>-</u>	<u>(4,410,707)</u>
Total Capital Assets Being Depreciated, Net	<u>8,934,601</u>	<u>(227,615)</u>	<u>-</u>	<u>8,706,986</u>
Business-type Activities Capital Assets, Net	<u>\$ 8,952,599</u>	<u>\$ (134,299)</u>	<u>\$ (111,314)</u>	<u>\$ 8,706,986</u>

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

Governmental Activities		
General government		\$ 55,251
Public safety		109,192
Public works		229,884
Culture and recreation		43,839
Total Depreciation/Amortization Expense - Governmental Activities		<u>\$ 438,166</u>
Business-type Activities		
Water		\$ 240,824
Sewer		86,352
Storm Water		49,584
Total Depreciation/Amortization Expense - Business-type Activities		<u>\$ 376,760</u>

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

D. Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2023 is as follows:

Fund	Transfers In		Total
	Capital Project	Debt Service	
Transfers Out			
General	\$ 110,000	\$ -	\$ 110,000
Other Governmental Funds	-	107,166	107,166
Total	\$ 110,000	\$ 107,166	\$ 217,166

The City annually budgets for transfers between funds. These annual budgeted transfers are made to cover administrative fees, fund certain capital improvement projects, and debt service, including a transfer from the General fund to the Capital Project fund. Additionally, the City transferred excess bond proceeds to the Debt Service funds from the Capital Funds.

E. Long-term Debt

General Obligation Special Assessment Bonds

The following bonds were used to finance infrastructure improvements. They will be repaid with ad valorem taxes, special assessments levied against the properties. The bonds are backed by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2014	\$ 1,710,000	2.00 - 3.375 %	6/25/14	2/1/35	\$ 990,000
G.O. Improvement Bonds of 2016	710,000	1.00 - 3.00	7/28/16	2/1/37	530,000
G.O. Improvement Bonds of 2018	1,015,000	3.00 - 3.375	5/15/18	2/1/39	855,000
G.O. Improvement Bonds of 2021A	970,000	1.00 - 2.00	6/10/21	2/1/42	925,000
G.O. Improvement Bond of 2021B	240,350	5.00	6/10/21	2/1/28	111,522
G.O. Improvement Bond of 2022	815,000	4.00	7/14/22	2/1/38	815,000
Total G.O. Special Assessment Bonds					\$ 4,226,522

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

Annual requirement to maturity for general obligation special assessment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 250,964	\$ 118,768	\$ 369,732
2025	255,963	111,595	367,558
2026	266,800	104,151	370,951
2027	267,640	96,490	364,130
2028	285,155	88,495	373,650
2029 - 2033	1,380,000	327,415	1,707,415
2034 - 2038	1,235,000	120,000	1,355,000
2039 - 2042	285,000	9,898	294,898
Total	\$ 4,226,522	\$ 976,812	\$ 5,203,334

G.O. Revenue Bonds

The City issued G.O. revenue bonds for business-type activities to provide funds for the acquisition and construction of major capital facilities. These bonds are reported in the proprietary funds since they are expected to be repaid from proprietary fund revenues.

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future revenues pledged from the Water and Sewer funds and are backed by the taxing power of the City. Annual principal and interest payments on the bonds are expected to require over 72 and 36 percent of revenues from the Water and Sewer funds, respectively. For 2023, principal and interest paid and total customer revenues for the Water fund were \$435,248 and \$557,112, respectively. For 2023, principal and interest paid and total customer revenues for the Sewer fund were \$151,072 and \$415,818, respectively.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Water Revenue Note of 2007	\$ 3,468,767	2.15 %	7/9/07	8/20/26	\$ 654,000
G.O. Improvement Bonds of 2014	1,290,000	2.00 - 3.375	6/25/14	2/1/35	990,000
G.O. Improvement Bonds of 2016	975,000	1.00 - 3.00	7/28/16	2/1/37	735,000
G.O. Improvement Bonds of 2018	935,000	3.00 - 3.375	05/15/18	2/1/39	775,000
G.O. Improvement Bonds of 2021A	1,035,000	1.00 - 2.00	6/10/21	2/1/42	995,000
G.O. Improvement Bonds of 2021B	\$804,650	5.00	6/10/21	2/1/28	553,478
G.O. Utility Revenue Bonds of 2022	500,000	4.00	7/14/22	2/1/38	500,000
Total G.O. Revenue Bonds					\$ 5,202,478

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

Annual requirement to maturity for G.O. revenue bonds are as follows:

<u>Year Ending December 31,</u>	Business-type Activities		
	Principal	Interest	Total
2024	\$ 537,036	\$ 143,928	\$ 680,964
2025	552,037	128,496	680,533
2026	566,200	112,579	678,779
2027	347,360	96,271	443,631
2028	379,845	84,115	463,960
2029 - 2033	1,340,000	302,288	1,642,288
2034 - 2038	1,200,000	110,605	1,310,605
2039 - 2042	280,000	9,812	289,812
Total	\$ 5,202,478	\$ 988,094	\$ 6,190,572

Lease Payable

Lease agreements are summarized as follows:

Description	Original Asset Amount	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Discovery Center - Office Space	\$ 142,455	1.30 %	10/31/19	10/31/25	\$ 71,058

On October 16, 2014, the City entered into a lease agreement with the Orono Independent School District No. 278 for the period of October 1, 2014 through October 31, 2019. On October 31, 2019, the City amended the lease and extended the term through October 31, 2021. On October 1, 2021, the lease was amended to extend the term through October 31, 2024 at a fixed interest rate of 1.30%. The lease can be renewed for one additional year beyond the end date. The leased premises consist of City Office Space and Council Chambers.

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending December 31,</u>	Governmental Activities		
	Principal	Interest	Total
2024	\$ 37,923	\$ 700	\$ 38,623
2025	33,135	198	33,333
Total	\$ 71,058	\$ 898	\$ 71,956

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable					
G.O. special assessment bonds	\$ 4,475,000	\$ -	\$ (248,478)	\$ 4,226,522	\$ 250,964
Unamortized premium on bonds	70,157	-	(7,216)	62,941	-
Total Bonds Payable	<u>4,545,157</u>	<u>-</u>	<u>(255,694)</u>	<u>4,289,463</u>	<u>250,964</u>
Lease payable	107,445	-	(36,387)	71,058	37,923
Compensated absences payable	<u>10,814</u>	<u>5,551</u>	<u>(7,345)</u>	<u>9,020</u>	<u>9,020</u>
Governmental Activities Long-term Liabilities	<u>\$ 4,663,416</u>	<u>\$ 5,551</u>	<u>\$ (299,426)</u>	<u>\$ 4,369,541</u>	<u>\$ 297,907</u>
Business-type Activities					
Bonds payable					
G.O. revenue bonds	\$ 5,718,000	\$ -	\$ (515,522)	\$ 5,202,478	\$ 537,036
Unamortized premium on bonds	<u>128,023</u>	<u>-</u>	<u>(19,588)</u>	<u>108,435</u>	<u>-</u>
Business-type Activities Long-term Liabilities	<u>\$ 5,846,023</u>	<u>\$ -</u>	<u>\$ (535,110)</u>	<u>\$ 5,310,913</u>	<u>\$ 537,036</u>

Conduit Debt Obligations

The City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private-sector entity revenues. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2023 there was one revenue bond outstanding with Haven Homes with a principal amount of \$38,115,000.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 3: Detailed Notes on All Funds (Continued)

F. Fund Balance Classifications

The following is a summary of the components of fund balance:

	General	Fire Partnership	Capital Project Fund	Debt Service Fund	Other Governmental Funds	Total
Nonspendable						
Prepaid items	\$ 139,605	\$ -	\$ -	\$ -	\$ -	\$ 139,605
Restricted for						
Debt service	\$ -	\$ -	\$ -	\$ 871,992	\$ -	\$ 871,992
Park improvements	-	-	23,823	-	-	23,823
Public Safety	127,539	-	-	-	-	127,539
Total Restricted	\$ 127,539	\$ -	\$ 23,823	\$ 871,992	\$ -	\$ 1,023,354
Committed to						
Fire protection services	\$ -	\$ 412,144	\$ -	\$ -	\$ -	\$ 412,144
Economic development	-	-	-	-	77,895	77,895
Total Committed	\$ -	\$ 412,144	\$ -	\$ -	\$ 77,895	\$ 490,039
Assigned to						
Capital projects 451	\$ -	\$ -	\$ 2,141,649	\$ -	\$ -	\$ 2,141,649
Planning 115	1,537	-	-	-	-	1,537
Total Assigned	\$ 1,537	\$ -	\$ 2,141,649	\$ -	\$ -	\$ 2,143,186
Unassigned	\$ 831,127	\$ -	\$ -	\$ -	\$ (250,306)	\$ 580,821
Total	\$ 1,099,808	\$ 412,144	\$ 2,165,472	\$ 871,992	\$ (172,411)	\$ 4,377,005

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan

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

B. Benefits Provided

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

General Employee Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$12,967, \$13,616 and \$10,350, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

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

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$145,389 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 \$4,050. 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 0.0026 percent at the end of the measurement period and 0.002 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	\$ 145,389
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	4,050
	4,050
Total	\$ 149,439

For the year ended December 31, 2023, the City recognized pension expense of \$68,507 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$18 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 4,510	\$ 501
Changes in Actuarial Assumptions	12,021	87,363
Net Difference Between Projected and Actual Investment Earnings	-	7,723
Changes in Proportion	27,273	-
Contributions Paid to PERA Subsequent to the Measurement Date	5,343	-
Total	\$ 49,147	\$ 95,587

The \$5,343 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ (1,455)
2025	(22,913)
2026	(20,501)
2027	(6,915)

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

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

E. Long-term Expected Return on Investment

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

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

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

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

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

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

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

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

G. Discount Rate

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

H. Pension Liability Sensitivity

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

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 257,205	\$ 145,389	\$ 53,416

I. Pension Plan Fiduciary Net Position

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

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 5: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Five council members are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered 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. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

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

Pension expense for the year is equal to contributions made. Total contributions made by the City during the fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,197	\$ 1,197	5.00%	5.00%	5.00%

The City's contributions to the DCP plan for the years ended December 31, 2023, 2022 and 2021 were \$1,197, \$1,150 and \$833, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statutes.

Note 6: Defined Benefit Pension Plans - Fire Relief Association

A. Plan Description

All members of the Maple Plain Fire Department (the Department) are covered by a defined benefit plan administered by Maple Plain Fire Department Relief Association (the Association). As of December 31, 2022, the plan covered 23 active firefighters and 8 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

B. Benefits Provided

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$35,089, \$32,683 and \$31,025 in 2022, 2021, and 2020, respectively, in fire state aid to the plan on behalf of the City Fire Department, which was recorded as a revenue within the City's financial statements. The City's statutorily-required contributions to the plan for the years ended December 31, 2023, 2022, and 2021 were \$86,971, \$79,889 and \$76,825, respectively. The City's contributions were equal to the required contributions as set by Minnesota statute. The City made no voluntary contributions to the plan. The firefighter has no obligation to contribute to the plan.

D. Pension Costs

At December 31, 2023, the City reported a net pension liability (asset) of (\$159,097) for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2023. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA, applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2023	\$ 1,271,306	\$ 1,649,000	\$ (377,694)
Changes for the Year			
Service cost	33,644	-	33,644
Interest cost	69,655	-	69,655
Assumption changes	(6,444)	-	(6,444)
Plan changes	56,397	-	56,397
Contributions (employer)	-	45,875	(45,875)
Nonemployer contributions	-	36,089	(36,089)
Projected investment return	-	90,818	(90,818)
(Gain)/loss	(62,026)	(299,642)	237,616
Benefit payments	(76,978)	(76,978)	-
Administrative expenses	-	(511)	511
Total Net Changes	<u>14,248</u>	<u>(204,349)</u>	<u>218,597</u>
Ending Balance December 31, 2023	<u>\$ 1,285,554</u>	<u>\$ 1,444,651</u>	<u>\$ (159,097)</u>

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

For the year ended December 31, 2023, the City recognized pension expense of \$78,627.

At December 31, 2023, the City reported deferred outflows of resources and its contributions subsequent to the measurement date related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 111,100
Changes in Actuarial Assumptions	16,247	45,899
Net Difference Between Projected and Actual Earnings on Plan Investments	175,930	-
Contributions to Plan Subsequent to the Measurement Date	86,971	-
Total	\$ 279,148	\$ 156,999

Deferred outflows of resources totaling \$86,971 related to pensions resulting from the City's contributions to the plan 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 of resources related to the plan will be recognized in pension expense as follows:

2024	\$ (4,662)
2025	22,059
2026	27,438
2027	36,210
2028	(13,163)
Thereafter	(32,704)

E. Actuarial Assumptions

The total pension liability at December 31, 2023 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at 50 Percent of Age 50, 20 Percent at Ages 51-54 and 100 Percent at Age 55	
Salary Increases	2.50% per year
Cost of Living Increases	4.00% per year
Investment Rate of Return	5.75%
20 Year Municipal Bond Yield	3.50%

There were no changes in actuarial assumptions in 2023.

The City's contributions were equal to the required contributions as set by state statute. The City made no voluntary contributions to the plan. 5.75 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash and Equivalents	9.00 %	2.00 %
Fixed Income	33.00	3.00
Equities	<u>58.00</u>	7.00
Total	<u><u>100.00 %</u></u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

G. Pension Asset Sensitivity

The following presents the City's net pension asset for the 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:

	<u>1 Percent Decrease (4.75%)</u>	<u>Current (5.75%)</u>	<u>1 Percent Increase (6.75%)</u>
Defined Benefit Plan	\$ (131,764)	\$ (159,097)	\$ (185,878)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Maple Plain Fire Department Relief Association, 5050 Independence Street, Maple Plain, MN 55359.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 7: Joint Ventures and Jointly Governed Organizations

Joint Ventures

West Hennepin Public Safety Department

In 1995, the Cities of Maple Plain and Independence, Minnesota, formed the West Hennepin Public Safety Department (the "Department"). The City participates in a joint powers agreement, which establishes the Department for the purpose of providing police protection within the two communities. The agreement creates a Board of Commissioners (the Board), composed of representatives from each member city, consisting of four members. The Board exercises legislative authority and determines all matters of policy. The Board appoints personnel responsible for the proper administration of all affairs relating to the Department's activities. The Board must, on or before August 15th each year, prepare and submit a detailed budget of the Department's needs for the next calendar year to the governing body of each city in the Department with a statement of the proportion of the budget to be provided by each city. The governing body of each city in the Department shall review and approve the budget by November 1st.

The following financial information is taken from the Department's audited financial statements for the year ended December 31, 2023

Total Assets and Deferred Outflows of Resources	\$ 3,044,825
Total Liabilities and Deferred Inflows of Resources	3,742,432
Total Net Position	(697,607)
Total Revenue	2,509,020
Total Expense	2,555,234

The City's equity interest and its share of the net income (loss) of the Department are added to the value of the "Investment in Joint Venture deficit" in the government-wide financial statement under governmental activities. As of December 31, 2023 the amount reported as investment in joint venture deficit was \$217,023.

According to a formula in the agreement, the City's share of the Department's budget is approximately 32 percent. Payments to the Department in 2023 totaled \$668,171. The Department's financial statements for the period ending December 31, 2023 are available at the City's Municipal Center.

Maple Plain - Independence Fire Services Partnership

On December 31, 2002 the Maple Plain-Independence Fire Services Partnership (the "Fire Partnership") was established under a joint powers agreement among the Cities of Maple Plain and Independence to provide fire protection in the fire service area of the two cities. Maple Plain is considered the managing partner.

The governing body consists of a 5 member Board. Two individuals, the Mayor and another City Council Member from each City, are appointed by their respective City Council to serve on the Board and the fire chief is also a member of the Board. The Fire Partnership does not have any component units.

As provided for in the joint powers agreement, in the event of termination, all real and personal property and cash held by the Fire Partnership would be divided among the members. The managing partner shall, at its sole discretion either sell the capital assets and distribute the net proceeds from the sale to each partner based on the partner's partnership interest or purchase the partnership interest Independence has in any capital assets of the partnership.

The governmental fund financial activity of the Fire Partnership are currently reported in a special revenue fund in the basic financial statements and the capital assets and related long-term liabilities are recorded within the governmental activities in the statement of net position. The City contributed \$243,443 to the Fire Partnership in 2023. The City of Independence holds a 52.65 percent equity interest in the Fire Partnership.

City of Maple Plain, Minnesota
Notes to the Financial Statements
December 31, 2023

Note 7: Joint Ventures and Jointly Governed Organizations (Continued)

Jointly Governed Organizations

Pioneer - Sarah Creek Watershed Management Commission

The Pioneer-Sarah Creek Watershed Management Commission is a joint powers watershed management organization formed under Minnesota statutes 103B.201-103B.255 and Minnesota Rules Chapter 8410. The Pioneer-Sarah Creek watershed covers about 70.5 square miles in northwestern Hennepin County. The six cities in the watershed jointly manage the water resources in this area through the Commission. The member cities are Maple Plain, Loretto, Independence, Medina, Minnetrista and Greenfield. The goal of the Commission is to enhance the water quality of the water resources within the watershed. The Commission seeks to carry out this goal through public information and education, analysis of the causes of harmful impacts on the water resources, regulation of the use of water bodies and their beds, regulation of land use, and capital improvement projects.

The City remitted \$10,201 to the Commission in 2023. The contribution was reported in the City's Storm Water fund.

Complete financial statements can be obtained at the Commission's web site: <http://pioneersarahcreek.org>.

Note 8: Other Information

A. Risk Management

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

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

B. Legal Debt Margin

The City's statutory debt limit is computed as 3 percent of the taxable market value of property within the City. Long-term debt issued and financed partially or entirely by special assessments or the net revenues of enterprise fund operations is excluded from the debt limit computation. The City's applicable debt does not exceed the limit.

C. Concentrations

The City receives a significant amount of its annual General fund revenue from the State of Minnesota from the Local Government Aid (LGA). The amount received in 2023 was \$217,082. This accounted for 11 percent of General fund revenues.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Maple Plain, Minnesota
Required Supplementary Information
December 31, 2023

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

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.0026 %	\$ 145,389	\$ 4,050	\$ 149,439	\$ 214,550	67.8 %	83.1 %
06/30/22	0.0020	158,401	4,737	163,138	154,218	102.7	76.7
06/30/21	0.0013	55,516	1,645	57,161	80,918	68.6	87.0
06/29/20	0.0022	131,900	4,125	136,025	159,243	82.8	79.0
06/30/19	0.0045	248,795	7,833	256,628	319,508	77.9	80.2
06/30/18	0.0046	255,189	8,281	263,470	308,163	82.8	79.5
06/30/17	0.0041	261,741	3,306	265,047	256,354	102.1	75.9
06/29/16	0.0043	349,139	-	349,139	266,607	131.0	68.9
06/29/15	0.0039	202,118	-	202,118	224,153	90.2	78.2

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

Schedule of Employer's PERA Contributions - General Employees Retirement Plan
To

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/23	\$ 12,967	\$ 12,967	\$ -	\$ 172,894	7.5 %
12/31/22	13,616	13,616	-	181,548	7.5
12/31/21	10,350	10,350	-	138,005	7.5
12/30/20	7,662	7,662	-	102,155	7.5
12/31/19	18,801	18,801	-	250,686	7.5
12/31/18	23,768	23,768	-	316,912	7.5
12/31/17	20,913	20,913	-	278,837	7.5
12/30/16	19,011	19,011	-	253,485	7.5
12/30/15	17,983	17,983	-	239,770	7.5

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

City of Maple Plain, Minnesota
Required Supplementary Information (Continued)
December 31, 2023

Notes to the Required Supplementary Information - General Employee Retirement Fund

Changes in Actuarial Assumptions

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

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

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

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

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

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

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

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

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

City of Maple Plain, Minnesota
Required Supplementary Information (Continued)
December 31, 2023

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

I
Changes in Plan Provisions

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

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

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

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

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

2017 - The State's special funding contribution increased from \$6 million to \$16 million.

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

City of Maple Plain, Minnesota
Required Supplementary Information (Continued)
December 31, 2023

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability								
Service cost	\$ 33,644	\$ 30,010	\$ 30,874	\$ 28,113	\$ 31,245	\$ 30,483	\$ 39,565	\$ 37,413
Interest	69,655	63,362	57,732	53,612	49,207	49,395	53,188	43,559
Assumption changes	-	-	(17,946)	-	32,497	-	-	-
Plan changes	56,397	81,387	49,554	62,919	57,915	-	-	72,040
Changes of assumptions	(6,444)	-	-	-	-	-	(75,938)	-
Gain or loss	(62,026)	-	(31,488)	-	(38,625)	-	(40,193)	-
Benefit payments, including refunds of employee contributions	(76,978)	(50,954)	(130,000)	-	(82,000)	(86,800)	-	-
Net Change in Total Pension Liability	14,248	123,805	(41,274)	144,644	50,239	(6,922)	(23,378)	153,012
Total Pension Liability - January 1	1,271,306	1,147,501	1,188,775	1,044,131	993,892	1,000,814	1,024,192	871,180
Total Pension Liability - December 31 (a)	\$ 1,285,554	\$ 1,271,306	\$ 1,147,501	\$ 1,188,775	\$ 1,044,131	\$ 993,892	\$ 1,000,814	\$ 1,024,192
Plan Fiduciary Net Position								
Contributions - employer	\$ 45,875	\$ 44,800	\$ 44,800	\$ 40,000	\$ 38,000	\$ 31,851	\$ 27,026	\$ 26,520
Contributions - state	36,089	33,683	32,025	26,488	26,857	36,043	34,714	24,408
Net investment income	90,818	82,964	71,160	61,093	64,308	58,002	52,901	52,385
Gain or loss	(299,642)	43,848	26,901	133,593	(153,279)	86,154	27,703	(98,405)
Benefit payments, including refunds of employee contributions	(76,978)	(50,954)	(130,000)	-	(82,000)	(86,800)	-	-
Administrative expense	(511)	(24)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(204,349)	154,317	44,886	261,174	(106,114)	125,250	142,344	4,908
Plan Fiduciary Net Position - January 1	1,649,000	1,494,683	1,449,797	1,188,623	1,294,737	1,169,487	1,027,143	1,022,235
Plan Fiduciary Net Position - December 31 (b)	\$ 1,444,651	\$ 1,649,000	\$ 1,494,683	\$ 1,449,797	\$ 1,188,623	\$ 1,294,737	\$ 1,169,487	\$ 1,027,143
Fire Relief's Net Pension Liability (Asset) - December 31 (a-b)	\$ (159,097)	\$ (377,694)	\$ (347,182)	\$ (261,022)	\$ (144,492)	\$ (300,845)	\$ (168,673)	\$ (2,951)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	112.38%	129.71%	130.26%	121.96%	113.84%	130.27%	116.85%	100.29%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

City of Maple Plain, Minnesota
 Required Supplementary Information (Continued)
 December 31, 2023

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/23	\$ 38,576	\$ 86,971	\$ (48,395)
12/31/22	35,089	79,889	(44,142)
12/31/21	32,683	76,825	(35,463)
12/30/20	31,025	66,488	(41,000)
12/31/19	26,488	67,488	(38,000)
12/31/18	26,857	64,857	(31,851)
12/31/17	26,043	57,894	(27,026)
12/30/16	24,714	51,740	(27,026)

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

Notes to the Required Supplementary Information - Fire Relief Association

Changes in Actuarial Assumptions

2016 - The retirement age changed from Age 50 to a graded schedule based on age. The interest rate used for deferred benefit increases subject to the rate chosen by the relief association is assumed to be zero. Previously, it was assumed this rate would be equal to the 4.00% rate chosen for other deferred benefit increases.

2015 - In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of public safety employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

Changes in Plan Provisions

2022 - The benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary. In 2022, the benefit fee increased from \$3,200 to \$3,500.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Maple Plain, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2023

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and temporary investments	<u>\$ 308,918</u>	<u>\$ (244,540)</u>	<u>\$ 64,378</u>
Liabilities			
Accounts payable	\$ -	\$ 5,766	\$ 5,766
Unearned revenue	<u>231,023</u>	<u>-</u>	<u>231,023</u>
Total Liabilities	<u>231,023</u>	<u>5,766</u>	<u>236,789</u>
Fund Balances			
Committed	77,895	-	77,895
Unassigned	<u>-</u>	<u>(250,306)</u>	<u>(250,306)</u>
Total Fund Balances	<u>77,895</u>	<u>(250,306)</u>	<u>(172,411)</u>
Total Liabilities and Fund Balances	<u>\$ 308,918</u>	<u>\$ (244,540)</u>	<u>\$ 64,378</u>

City of Maple Plain, Minnesota
 Nonmajor Governmental Funds
 Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2023

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Interest on investments	\$ 1,201	\$ 1,821	\$ 3,022
Expenditures			
Current			
Economic development	7,755	-	7,755
Capital outlay			
Public works	-	71,259	71,259
Total Expenditures	7,755	71,259	79,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,554)	(69,438)	(75,992)
Other Financing Sources (Uses)			
Transfers out	-	(107,166)	(107,166)
Net Change in Fund Balances	(6,554)	(176,604)	(183,158)
Fund Balances, January 1	84,449	(73,702)	10,747
Fund Balances, December 31	\$ 77,895	\$ (250,306)	\$ (172,411)

City of Maple Plain, Minnesota
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 December 31, 2023

	200	210	
	Economic Development	American Rescue Plan Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and temporary investments	\$ 77,895	\$ 231,023	\$ 308,918
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Unearned revenue	\$ -	\$ 231,023	\$ 231,023
Fund Balances			
Committed	77,895	-	77,895
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 77,895</u>	<u>\$ 231,023</u>	<u>\$ 308,918</u>

City of Maple Plain, Minnesota
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2023

	200	210	
	Economic Development	American Rescue Plan Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Interest on investments	\$ 1,201	\$ -	\$ 1,201
Expenditures			
Current			
Economic development	<u>7,755</u>	<u>-</u>	<u>7,755</u>
Net Change in Fund Balances	(6,554)	-	(6,554)
Fund Balances, January 1	<u>84,449</u>	<u>-</u>	<u>84,449</u>
Fund Balances, December 31	<u><u>\$ 77,895</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 77,895</u></u>

City of Maple Plain, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2023

	452 Downtown Development	453 2021 Street Reconstruction	455 2022 Street Project	458 2024 Street Reconstruction	Total
Assets					
Cash and temporary investments	\$ (179,729)	\$ -	\$ -	\$ (64,811)	\$ (244,540)
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 5,766	\$ 5,766
Fund Balances					
Unassigned	(179,729)	-	-	(70,577)	(250,306)
Total Liabilities and Fund Balances	\$ (179,729)	\$ -	\$ -	\$ (64,811)	\$ (244,540)

City of Maple Plain, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended December 31, 2023

	452	453	455	458	
	Downtown Development	2021 Street Reconstruction	2022 Street Project	2024 Street Reconstruction	Total
Revenues					
Interest on investments	\$ -	\$ 509	\$ 1,312	\$ -	\$ 1,821
Expenditures					
Capital outlay					
Public works	-	-	682	70,577	71,259
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	509	630	(70,577)	(69,438)
Other Financing Sources (Uses)					
Transfers out	-	(34,652)	(72,514)	-	(107,166)
Net Change in Fund Balances	-	(34,143)	(71,884)	(70,577)	(176,604)
Fund Balances, January 1	(179,729)	34,143	71,884	-	(73,702)
Fund Balances, December 31	<u>\$ (179,729)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,577)</u>	<u>\$ (250,306)</u>

City of Maple Plain, Minnesota

General Fund

Schedules of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued on the Following Pages)

For the Year Ended December 31, 2023

(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues					
Taxes					
General property	\$ 1,435,957	\$ 1,435,957	\$ 1,434,170	\$ (1,787)	\$ 1,312,214
Cable franchise fees	14,000	14,000	11,056	(2,944)	13,322
Total taxes	<u>1,449,957</u>	<u>1,449,957</u>	<u>1,445,226</u>	<u>(4,731)</u>	<u>1,325,536</u>
Licenses and permits					
Business	18,880	18,880	18,650	(230)	19,100
Nonbusiness	32,000	32,000	48,544	16,544	66,399
Total licenses and permits	<u>50,880</u>	<u>50,880</u>	<u>67,194</u>	<u>16,314</u>	<u>85,499</u>
Intergovernmental					
Federal					
Other federal grants	77,000	77,000	-	(77,000)	-
State					
Local government aid	216,982	216,982	217,082	100	252,642
Other state grants	-	-	127,539	127,539	-
County					
Other county grants	5,000	5,000	7,291	2,291	9,400
Total intergovernmental	<u>298,982</u>	<u>298,982</u>	<u>351,912</u>	<u>52,930</u>	<u>262,042</u>
Charges for services					
General government	14,601	14,601	5,550	(9,051)	71,496
Culture and recreation	-	-	-	-	2,000
Total charges for services	<u>14,601</u>	<u>14,601</u>	<u>5,550</u>	<u>(9,051)</u>	<u>73,496</u>
Fines and forfeitures	<u>12,500</u>	<u>12,500</u>	<u>12,976</u>	<u>476</u>	<u>10,266</u>
Special assessments	<u>-</u>	<u>-</u>	<u>688</u>	<u>688</u>	<u>-</u>
Interest on investments	<u>3,000</u>	<u>3,000</u>	<u>18,282</u>	<u>15,282</u>	<u>9,354</u>
Miscellaneous					
Contributions and donations	-	-	6,000	6,000	10,000
Rents and royalties	45,000	45,000	53,007	8,007	56,565
Other	3,300	3,300	22,011	18,711	15,390
Total miscellaneous	<u>48,300</u>	<u>48,300</u>	<u>81,018</u>	<u>32,718</u>	<u>81,955</u>
Total Revenues	<u>1,878,220</u>	<u>1,878,220</u>	<u>1,982,846</u>	<u>104,626</u>	<u>1,848,148</u>

City of Maple Plain, Minnesota
General Fund
Schedules of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Expenditures					
Current					
General government					
Mayor and Council					
Personal services	\$ 36,077	\$ 36,077	\$ 33,840	\$ 2,237	\$ 29,529
Other services and charges	12,395	12,395	11,801	594	9,477
Total Mayor and Council	<u>48,472</u>	<u>48,472</u>	<u>45,641</u>	<u>2,831</u>	<u>39,006</u>
Financial administration					
Personal services	293,372	293,372	278,171	15,201	266,904
Supplies	2,500	2,500	2,462	38	2,619
Other services and charges	88,746	88,746	109,080	(20,334)	72,825
Total financial administration	<u>384,618</u>	<u>384,618</u>	<u>389,713</u>	<u>(5,095)</u>	<u>342,348</u>
Elections					
Other services and charges	1,000	1,000	164	836	3,905
Assessing					
Other services and charges	27,106	27,106	38,012	(10,906)	26,258
Legal					
Other services and charges	37,000	37,000	48,340	(11,340)	12,882
Planning and zoning					
Other services and charges	25,000	25,000	12,085	12,915	36,260
General government buildings					
Supplies	-	-	395	(395)	-
Other services and charges	41,568	41,568	6,978	34,590	2,289
Total general government buildings	<u>41,568</u>	<u>41,568</u>	<u>7,373</u>	<u>34,195</u>	<u>2,289</u>
Escrow activity					
Other services and charges	-	-	92,034	(92,034)	48,563
Total general government	<u>564,764</u>	<u>564,764</u>	<u>633,362</u>	<u>(68,598)</u>	<u>511,511</u>
Public safety					
Police					
Other services and charges	683,971	683,971	680,710	3,261	632,427

City of Maple Plain, Minnesota
General Fund
Schedules of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Expenditures (Continued)					
Current (continued)					
Public safety (continued)					
Fire					
Other services and charges	\$ 228,955	\$ 228,955	\$ 226,293	\$ 2,662	\$ 209,037
Building inspection					
Other services and charges	20,000	20,000	22,447	(2,447)	9,448
Civil defense					
Other services and charges	581	581	1,824	(1,243)	553
Total public safety	933,507	933,507	931,274	2,233	851,465
Public works					
Streets and alleys					
Personal services	-	-	16,153	(16,153)	2,723
Supplies	8,200	8,200	26,090	(17,890)	8,932
Other services and charges	156,415	156,415	185,601	(29,186)	196,501
Total streets and alleys	164,615	164,615	227,844	(63,229)	208,156
Snow and ice removal					
Supplies	-	-	3,632	(3,632)	-
Total public works	164,615	164,615	231,476	(66,861)	208,156
Culture and recreation					
Municipal parks					
Personal services	7,740	7,740	-	7,740	3,635
Supplies	6,320	6,320	9,447	(3,127)	4,992
Other services and charges	76,774	76,774	72,818	3,956	68,824
Total municipal parks	90,834	90,834	82,265	8,569	77,451
Total culture and recreation	90,834	90,834	82,265	8,569	77,451
Economic development					
Other services and charges	2,500	2,500	2,500	-	-
Total current	1,756,220	1,756,220	1,880,877	(124,657)	1,648,583

City of Maple Plain, Minnesota
General Fund
Schedules of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			Variance with Final Budget	2022
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Capital outlay					
General government	-	-	50	(50)	3,125
Culture and recreation	-	-	6,415	(6,415)	400
Economic development	-	-	19,300	(19,300)	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>25,765</u>	<u>(25,765)</u>	<u>3,525</u>
Debt service					
Principal	-	-	36,387	(36,387)	35,010
Interest and other	-	-	1,181	(1,181)	1,642
Total debt service	<u>-</u>	<u>-</u>	<u>37,568</u>	<u>(37,568)</u>	<u>36,652</u>
Total Expenditures	<u>1,756,220</u>	<u>1,756,220</u>	<u>1,944,210</u>	<u>(187,990)</u>	<u>1,688,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>122,000</u>	<u>122,000</u>	<u>38,636</u>	<u>(83,364)</u>	<u>159,388</u>
Other Financing Sources (Uses)					
Transfers out	<u>(122,000)</u>	<u>(122,000)</u>	<u>(110,000)</u>	<u>12,000</u>	<u>(110,000)</u>
Total Other Financing Sources (Uses)	<u>(122,000)</u>	<u>(122,000)</u>	<u>(110,000)</u>	<u>12,000</u>	<u>(110,000)</u>
Net Change in Fund Balances	-	-	(71,364)	(71,364)	49,388
Fund Balances, January 1	<u>1,171,172</u>	<u>1,171,172</u>	<u>1,171,172</u>	<u>-</u>	<u>1,121,784</u>
Fund Balances, December 31	<u>\$ 1,171,172</u>	<u>\$ 1,171,172</u>	<u>\$ 1,099,808</u>	<u>\$ (71,364)</u>	<u>\$ 1,171,172</u>

City of Maple Plain, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2023

	351 2012A G.O. Bonds	352 2013A G.O. Bonds	353 2014A G.O. Bonds	354 2016A G.O. Bonds
Assets				
Cash and temporary investments	\$ 75,461	\$ 301	\$ 200,626	\$ 91,189
Special assessments receivable	4,652	-	89,690	78,937
Total Assets	<u>\$ 80,113</u>	<u>\$ 301</u>	<u>\$ 290,316</u>	<u>\$ 170,126</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	\$ 4,652	\$ -	\$ 89,116	\$ 78,937
Fund Balances				
Restricted for debt service	<u>75,461</u>	<u>301</u>	<u>201,200</u>	<u>91,189</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 80,113</u>	<u>\$ 301</u>	<u>\$ 290,316</u>	<u>\$ 170,126</u>

355 2018A G.O. Bonds	356 2021A G.O. Bonds	357 2022A G.O. Bonds	Total
\$ 138,033	\$ 274,293	\$ 91,200	\$ 871,103
144,617	176,877	-	494,773
<u>\$ 282,650</u>	<u>\$ 451,170</u>	<u>\$ 91,200</u>	<u>\$ 1,365,876</u>
\$ 144,302	\$ 176,877	\$ -	\$ 493,884
<u>138,348</u>	<u>274,293</u>	<u>91,200</u>	<u>871,992</u>
<u>\$ 282,650</u>	<u>\$ 451,170</u>	<u>\$ 91,200</u>	<u>\$ 1,365,876</u>

City of Maple Plain, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2023

	351 2012A G.O. Bonds	352 2013A G.O. Bonds	353 2014A G.O. Bonds	354 2016A G.O. Bonds
Revenues				
Taxes	\$ 23,903	\$ -	\$ 71,768	\$ 31,661
Special assessments	5,025	-	18,738	8,490
Interest on investments	1,115	1,076	-	1,361
Total Revenues	<u>30,043</u>	<u>1,076</u>	<u>90,506</u>	<u>41,512</u>
Expenditures				
Debt service				
Principal	23,478	40,000	70,000	30,000
Interest and other	6,400	1,237	32,714	13,001
Total Expenditures	<u>29,878</u>	<u>41,237</u>	<u>102,714</u>	<u>43,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	165	(40,161)	(12,208)	(1,489)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Net Change in Fund Balances	165	(40,161)	(12,208)	(1,489)
Fund Balances, January 1	<u>75,296</u>	<u>40,462</u>	<u>213,408</u>	<u>92,678</u>
Fund Balances, December 31	<u>\$ 75,461</u>	<u>\$ 301</u>	<u>\$ 201,200</u>	<u>\$ 91,189</u>

355 2018A G.O. Bonds	356 2021A G.O. Bonds	357 2022A G.O. Bonds	Total
\$ 44,948	\$ 39,481	\$ 76,230	\$ 287,991
30,717	14,942	-	77,912
1,874	3,145	538	9,109
<u>77,539</u>	<u>57,568</u>	<u>76,768</u>	<u>375,012</u>
40,000	45,000	-	248,478
28,030	16,209	36,464	134,055
<u>68,030</u>	<u>61,209</u>	<u>36,464</u>	<u>382,533</u>
9,509	(3,641)	40,304	(7,521)
-	72,514	34,652	107,166
9,509	68,873	74,956	99,645
128,839	205,420	16,244	772,347
<u>\$ 138,348</u>	<u>\$ 274,293</u>	<u>\$ 91,200</u>	<u>\$ 871,992</u>

City of Maple Plain, Minnesota
Supplementary Information
Summary Financial Report
Revenues and Expenditures for General Operations -
Governmental Funds
For the Years Ended December 31, 2023 and 2022

	Totals		Percent Increase (Decrease)
	2023	2022	
Revenues			
Taxes	\$ 1,733,217	\$ 1,582,351	9.53 %
Special assessments	78,600	106,906	(26.48)
Licenses and permits	67,194	85,499	(21.41)
Intergovernmental	405,399	316,036	28.28
Charges for services	520,109	524,329	(0.80)
Fines and forfeits	12,976	10,266	26.40
Interest on investments	63,090	30,533	106.63
Miscellaneous	81,218	93,334	(12.98)
	<u>\$ 2,961,803</u>	<u>\$ 2,749,254</u>	
Total Revenues	<u>\$ 2,961,803</u>	<u>\$ 2,749,254</u>	7.73 %
Per Capita	\$ 1,519	\$ 1,340	13.31 %
Expenditures			
Current			
General government	\$ 633,362	\$ 511,511	23.82 %
Public safety	1,419,129	1,270,358	11.71
Public works	231,476	208,156	11.20
Culture and recreation	82,265	77,451	6.22
Economic development	10,255	6,066	NA
Capital outlay			
General government	50	3,125	(98.40)
Public safety	11,162	38,980	(71.36)
Public works	250,708	821,945	(69.50)
Culture and recreation	30,694	27,319	12.35
Economic development	19,300	-	-
Debt service			
Principal	284,865	235,010	21.21
Interest and other charges	135,236	150,188	(9.96)
	<u>\$ 3,108,502</u>	<u>\$ 3,350,109</u>	
Total Expenditures	<u>\$ 3,108,502</u>	<u>\$ 3,350,109</u>	(7.21) %
Per Capita	\$ 1,594	\$ 1,633	(2.41) %
Total Long-term Indebtedness	\$ 4,297,580	\$ 4,582,445	(6.22) %
Per Capita	2,204	2,234	(1.36)
General Fund Balance - December 31	\$ 1,099,808	\$ 1,171,172	(6.09) %
Per Capita	564	571	(1.23)

The purpose of this report is to provide a summary of financial information concerning the City of Maple Plain to interested citizens. The complete financial statements may be examined at City Hall, 5050 Independence Street, Maple Plain, MN 55359. Questions about this report should be directed to the City Clerk at (952) 479-0515.

OTHER REQUIRED REPORTS

CITY OF MAPLE PLAIN
MAPLE PLAIN, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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

Honorable Mayor and City Council
City of Maple Plain, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Maple Plain, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 23, 2024.

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

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
April 23, 2024

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 Maple Plain, 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 Maple Plain, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 23, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Abdo
Minneapolis, Minnesota
April 23, 2024



City of Maple Plain, Minnesota
Schedule of Findings and Responses
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
2023-001	Limited Segregation of Duties
<i>Condition:</i>	During our audit, we reviewed procedures over cash disbursements, cash receipts, payroll and utility billing and found the City to have limited segregation of duties related to these procedures.
<i>Criteria:</i>	There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities.
<i>Cause:</i>	As a result of the limited number of staff, in the disbursement cycle, the Assistant to the City Administrator has access to the check stock, prepares the checks, enters transactions into the accounting system, and has access to the City's automated check signing machine. In the receipts cycle, the Assistant to the City Administrator maintains accounts receivable invoices, posts to the general ledger, prepares deposits and brings to the bank, and reconciles the bank statement. In the payroll cycle, the Assistant to the City Administrator has control over the checks, sets up employee records, posts to the general ledger. In the utility billing cycle, the Assistant to the City Administrator prepares and mails customer billing statements, receives and endorses checks/currency, prepares and takes the deposit slip to the bank, and maintains the utility billing register.
<i>Effect:</i>	The existence of this limited segregation of duties increases the risk of fraud.
<i>Recommendation:</i>	While we recognize the number of staff is not large enough to eliminate this deficiency, we recommend that the City evaluate the current procedures and segregate duties where possible and implement any compensating controls. We are aware some compensating controls are in place; however, it is important that the City Council is aware of this condition and monitor all financial information.
<i>Management Response:</i>	Management recognizes that it is not economically feasible to completely correct this finding, but is aware of the deficiency and is relying on continued oversight by management and the City Council to monitor this deficiency. In addition, we have already added approval processes wherein the City Council, City Administrator and the Assistant to the City Administrator are reviewing all payables. This issue will be further reviewed in our upcoming assessment of our Budget & Fiscal Management Policies.

City of Maple Plain, Minnesota
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2023

<u>Finding</u>	<u>Description</u>
2023-002	Preparation of Financial Statements
<i>Condition:</i>	As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the City Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. From a practical standpoint we do both for you at the same time in connection with our audit. This is not unusual for us to do with organizations of your size. However, based on recent auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.
<i>Criteria:</i>	Internal controls should be in place to provide reasonable assurance over financial reporting.
<i>Cause:</i>	From a practical standpoint we do both for you at the same time in connection with our audit. This is not unusual for us to do with organization of your size.
<i>Effect:</i>	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors in financial reporting.
<i>Recommendation:</i>	It is your responsibility to make the ultimate decision to accept this degree of risk associated with this condition because of cost or other considerations. As in prior years, we have instructed management to review a draft of the auditor prepared financials in detail for their accuracy; we have answered any questions they might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosure in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements. While the City is reviewing the financial statements we recommend the City agree its financial software to the numbers reported in the financial statements.
<i>Management Response:</i>	
	For now, the City's management accepts the degree of risk associated with this deficiency and thoroughly reviews a draft of the financial statements. This issue will be reviewed in our upcoming assessment of our Budget & Fiscal Management Policies.