CITY OF IVANHOE

IVANHOE, MINNESOTA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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INTRODUCTORY SECTION

CITY OF IVANHOE
ORGANIZATIONAL INFORMATION
DECEMBER 31, 2023

CITY COUNCIL MEMBERS

MEMBER	POSITION	TERM EXPIRES
Dennis Klingbile	Mayor	12-31-24
Christy Lundberg	Councilperson	12-31-24
Rob Hopper	Councilperson	12-31-24
Kyle Krier	Councilperson	12-31-26
Brad Blanchette	Councilperson	12-31-26

ADMINISTRATION

Carol Renken	City Administrator	Appointed

FINANCIAL SECTION

DREALAN KVILHAUG HOEFKER & CO., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Member
Division for CPA Firms AICPA

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

WAYNE W. DREALAN, CPA· RETIRED
ELLEN K. HOEFKER, MBA, CPA
GREG H. KVILHAUG, CPA, CFP

VICKIE L. KUIPERS, EA
CINDY M. PENNING, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Ivanhoe
Ivanhoe, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ivanhoe, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Ivanhoe, Minnesota'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 government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ivanhoe, Minnesota, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ivanhoe, Minnesota 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ivanhoe, Minnesota'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 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 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 of Ivanhoe, Minnesota'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 of Ivanhoe, Minnesota's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and the schedules of pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ivanhoe, Minnesota's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024, on our consideration of the City of Ivanhoe, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contacts, 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 of Ivanhoe, Minnesota'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 City of Ivanhoe, Minnesota's internal control over financial reporting and compliance.

Meulebroeck Kvilhaug Hoefker & Co., P.A.

Worthington, Minnesota
October 30, 2024

This section of City of Ivanhoe's annual financial report represents our discussion and analysis of the City's financial performance during the year ended December 31, 2023. Please read it in conjunction with the City's financial statements, which follow this section:

The Management's Discussion and Analysis (MD&A) is an element of the reporting model that is required by the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Statement No. 34 contains significant requirements that enhance financial reporting. These requirements are also designed to make annual reports easier for the public to understand and more useful to stakeholders. Specifically, Statement No. 34 establishes reporting requirements that include additional financial statements, expanded disclosure, and supplemental information, including the MD&A (this section).

FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities by $2,702,597 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by $2,872,097.

The City's total combined net position decreased by $169,500 or 5.9% between 2022 and 2023.

Total net position is comprised of the following:

(1) Net Investment in Capital Assets of $1,985,206 includes property and equipment, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets.
(2) Restricted net position of $177,918 is restricted for debt service in the Fire Fund, Water Fund, and Sewer Fund. Funds are also restricted within the EDA Housing Fund to pay back security deposits when applicable.
(3) Unrestricted net position of $539,473 represents the portion available to maintain the City's continuing obligations to citizens and creditors.

As of the close of the current year, the City of Ivanhoe's governmental funds reported combined ending fund balances $851,576. $262,690 is non-spendable since it represents the portion of fund balance that has been spent for prepaid items or advanced to other funds. $8,838 is restricted in the Fire Fund, and $11,050 is committed in the Fire Fund, $390,236 is assigned to General, Fire, Economic Development, and Small Cities Development Funds, and $178,762 is unassigned and available for general government operating expenditures.

Overall revenues for 2023 were $1,552,146 while overall expenses totaled $1,721,646. Overall revenues for 2022 were $1,599,192 while overall expenses totaled $1,788,613.

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 financial statements comprise four components: 1) Independent Auditor's Report, 2) required supplementary information, which includes the management's discussion and analysis (this section), 3) the basic financial statements and 4) supplementary information.

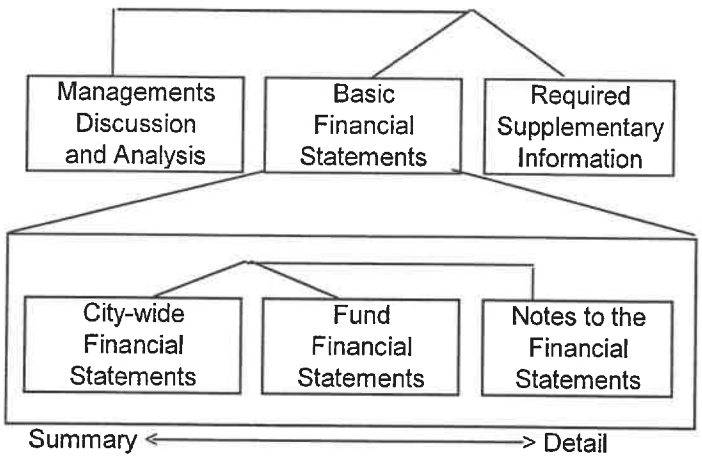
The basic financial statements include two kinds of statements that present different views of the City:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements. The governmental fund statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The diagram below shows how the various parts of this annual report are arranged and related to one another.



The major features of the City's financial statements, including the portion of the City's activities they cover and the types of information they contain, are summarized below. The remainder of the overview section of the MD&A highlights the structure and content of each of the statements.

Type of Statement	Government-wide	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Agency's government (except fiduciary funds)	The activities of the city that are not proprietary or fiduciary	Instances in which services are financed primarily by user charges
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues. Expenditures and Changes in Fund Balance	Statement of Fund Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Types of Assets/Liability Information	All assets and liabilities both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital, short-term and long-term
Types of Inflow/Outflow 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 the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position-the difference between the City's assets and liabilities-is one way to measure the City's financial health or position.

> Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating, respectively.
>
> To assess the overall health of the City, you need to consider additional non-financial factors such as changes in the City's tax base.

Both government-wide financial statements distinctively report governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government administration, public safety (police and ambulance), public works (streets and alleys), economic development, and recreation. Business-type activities include water, sewer, garbage, EDA housing, and municipal liquor services.

The City's financial reporting entity includes the funds of the City (primary government) only. There are no component units required to be reported in the City's financial statements.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds-not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

> Some funds are required by State law or by bond covenants.
>
> The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and state and federal grants.

The City has two kinds of funds:

> Governmental funds-Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explain the relationship (or differences) between them.

Proprietary funds -The City's proprietary fund type activities are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported in business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as water, sewer, garbage, housing, and liquor store service. The City has no internal service funds.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail.

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 footnotes to the financial statement are found on pages 29 - 45.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. The City's combined net position was $2,702,597 on December 31, 2023 (see detail in Table A-1).

Table A-1
Summary of Net Position

	Governmental Activities	Business-Type Activities	Total 2023	Total 2022	Percentage Change
Current and Other Assets	$ 1,120,732	$ 263,442	$ 1,384,174	$ 2,288,061	-39.50%
Capital and Non-Current Assets	1,607,568	2,712,026	4,319,594	4,489,582	-3.79%
Total Assets	$ 2,728,300	$ 2,975,468	$ 5,703,768	$ 6,777,643	-15.84%
Deferred Outflows of Resources	$ 223,855	$ 63,728	$ 287,583	$ 357,343	-19.52%
Current Liabilities	$ 119,499	$ 230,524	$ 350,023	$ 1,122,695	-68.82%
Long-Term Liabilities	218,683	2,438,239	2,656,922	2,984,913	-10.99%
Total Liabilities	$ 338,182	$ 2,668,763	$ 3,006,945	$ 4,107,608	-26.80%
Deferred Inflows of Resources	$ 222,098	$ 59,711	$ 281,809	$ 155,281	81.48%
Net Position					
Net Investment in Capital Assets	$ 1,550,846	$ 434,360	$ 1,985,206	$ 2,016,756	-1.56%
Restricted	8,838	169,080	177,918	160,102	11.13%
Unrestricted	832,191	(292,718)	539,473	695,239	-22.40%
Total Net Position	$ 2,391,875	$ 310,722	$ 2,702,597	$ 2,872,097	-5.90%

A portion of the net position is invested in capital assets. Unrestricted net position may be used to fund City programs in the next fiscal year. However, this does not mean that the City has significant surplus resources available to pay bills next year. Rather, it is the result of having long-term commitments that are less than currently available resources. Net investment in capital assets decreased due to depreciation expense exceeding long-term debt payments. Net position decreased in the governmental funds primarily due to the City's contribution to internet infrasture projects and a loss within the liquor fund.

Changes in net position. The City's total governmental activities revenues were $960,208 for the year ended December 31, 2023. Property taxes and state aid accounted for 60% of the total revenue and program charges, operating grants and contributions, and capital grants and gifts accounted for 27% of the total revenue for the year. The remaining 13% came from other revenues. (See Figure A-3)

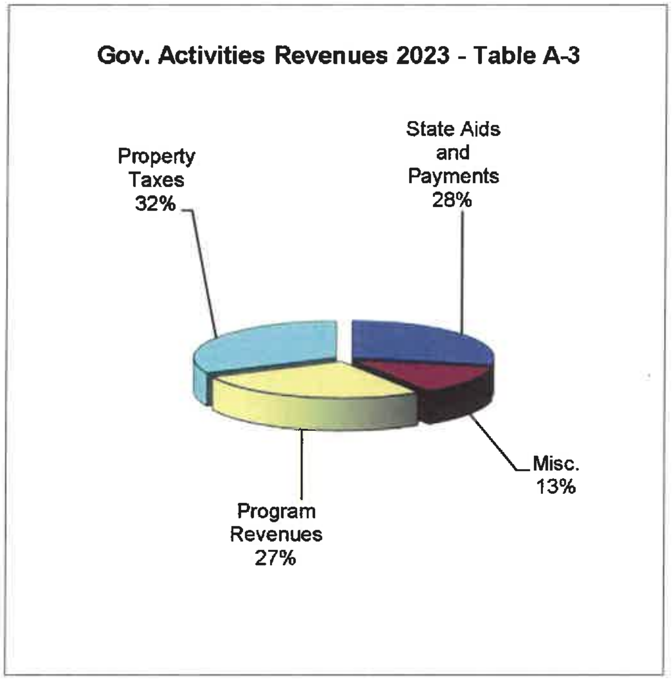
The total cost of governmental activities programs and services was $994,748 for the year ended December 31, 2023.

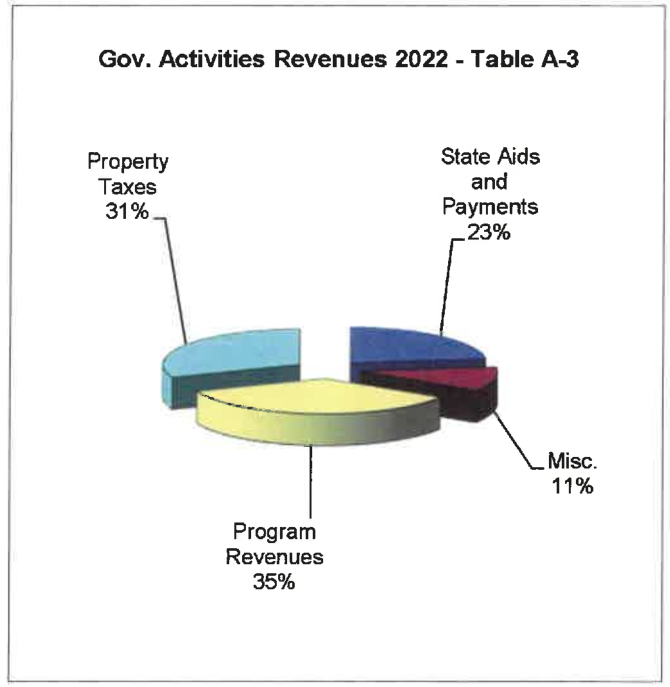
Table A-2
Changes in Net Position

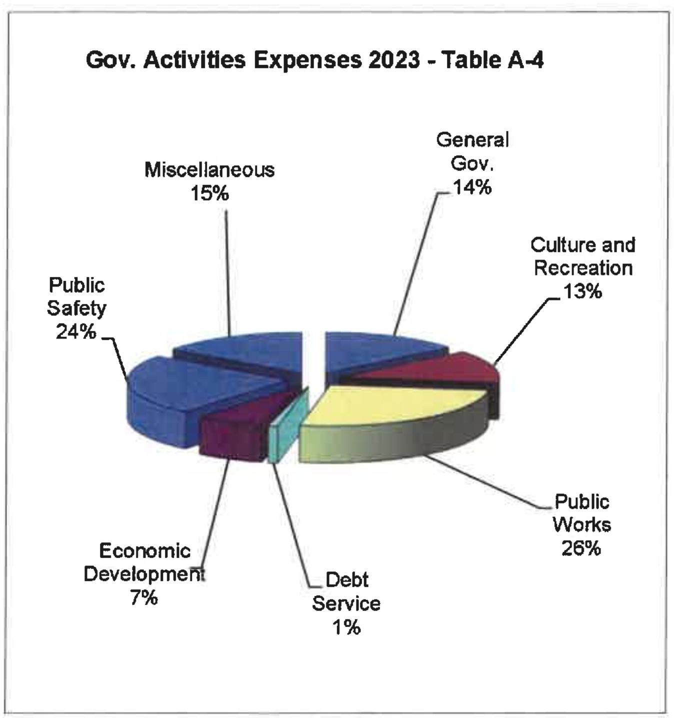
	Governmental Activities	Business-Type Activities	Total 2023	Total 2022	Percentage Change
Revenues					
Program Revenues:					
Charges for Services	$ 143,543	$ 590,843	$ 734,386	$ 655,997	11.95%
Operating Grants and Gifts	114,913	100	115,013	267,806	-57.05%
General Revenues:					
Property Taxes	310,134	-	310,134	320,912	-3.36%
Unrestricted Federal/State Aid	264,028	-	264,028	237,018	11.40%
Fines and Forfeits	50	-	50	1,323	-96.22%
Licenses and Permits	3,349	-	3,349	2,861	17.06%
Rehab Loan Interest	2,857	-	2,857	3,236	-11.71%
Gain(Loss) on Disposal of Assets	3,700	-	3,700	8,000	-53.75%
Insurance Proceeds	52,455	-	52,455	-	#DIV/0!
Refunds and Reimbursements	12,369	-	12,369	6,779	82.46%
Investment Earnings	58	389	447	23	1843.48%
Other	52,752	606	53,358	95,237	-43.97%
Total Revenues	$ 960,208	$ 591,938	$ 1,552,146	$ 1,599,192	-2.94%
Expenses					
General Government	$ 145,755	$ -	$ 145,755	$ 124,971	16.63%
Public Safety	241,632	-	241,632	263,894	-8.44%
Public Works	256,903	-	256,903	233,501	10.02%
Economic Development	73,018	-	73,018	272,247	-73.18%
Culture and Recreation	128,727	-	128,727	124,069	3.75%
Debt Service	2,274	-	2,274	6,666	-65.89%
Miscellaneous	146,439	-	146,439	89,130	64.30%
Liquor	-	282,845	282,845	208,073	35.94%
Water	-	161,124	161,124	153,946	4.66%
Sewer	-	153,648	153,648	178,941	-14.13%
Garbage	-	35,913	35,913	32,190	11.57%
EDA Housing	-	93,368	93,368	100,985	-7.54%
Total Expenses	$ 994,748	$ 726,898	$ 1,721,646	$ 1,788,613	-3.74%
Increase (Decrease) in Net Position Before Transfers	$ (34,540)	$ (134,960)	$ (169,500)	$ (189,421)	-10.52%
Transfers	106,000	(106,000)	-	-	0.00%
Change in Net Position	$ 71,460	$ (240,960)	$ (169,500)	$ (189,421)	-10.52%
Beginning Net Position	2,320,415	551,682	2,872,097	3,061,518	-6.19%
Ending Net Position	$ 2,391,875	$ 310,722	$ 2,702,597	$ 2,872,097	-5.90%

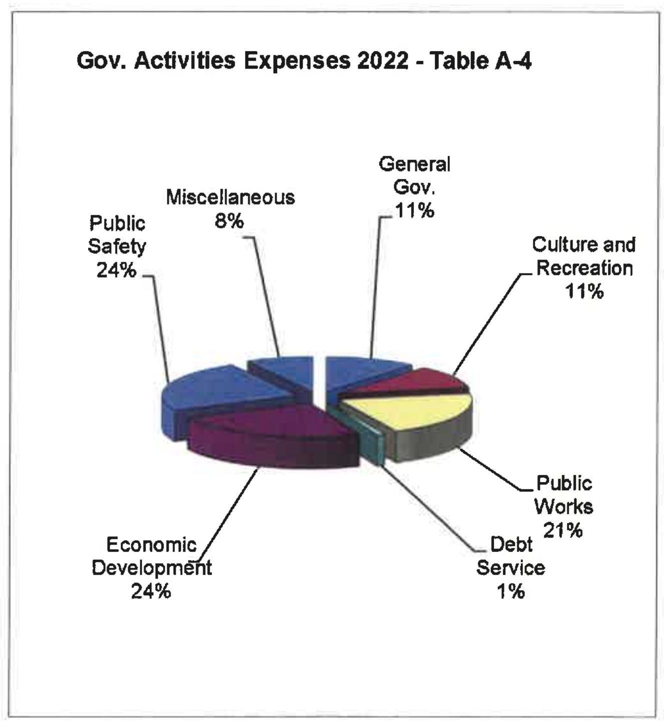
The City's total governmental activities revenues consisted of program revenues of $258,456, property taxes of $310,134, federal aid and payments from the state of $264,028, and interest and miscellaneous revenues of $127,590. Expenses of $994,748 consisted of general government administration expense of $145,755, public safety expense of $241,632, public works expense of $256,903, economic development of $73,018, culture and recreation of $128,727, debt service expense of $2,274 and miscellaneous expenses of $146,439.

Pie charts for revenue and expense categories are presented in Tables A-3 and A-4.









The net cost of governmental activities is their total cost less program revenue applicable to each category. Table A-5 presents these net costs.

Table A-5
Net Cost of Services

	Total Cost of Services	Program Income	Net Cost of Services
General Government	$ 145,755	$ 42,408	$ 103,347
Public Safety	241,632	180,930	60,702
Public Works	256,903	-	256,903
Economic Development	73,018	18,640	54,378
Culture and Recreation	128,727	16,478	112,249
Debt Service	2,274	-	2,274
Miscellaneous	146,439	-	146,439
Total	$ 994,748	$ 258,456	$ 736,292

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds
Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Fund Balance The financial performance of the City as a whole is reflected in its governmental funds as well. As the City completed the year, its governmental funds reported a combined fund balance of $851,576. This was up from $676,016 at the end of the prior year, an increase of $175,560. The increase in fund balance is primarily due to repayments from the proprietary funds of funds borrowed and the transfer in of $106,000 from the sewer fund.

Revenues and Expenditures Revenues of the governmental funds totaled $925,112 while total expenditures were $891,519. Other financing sources (uses) consist primarily of interfund transfers. A summary of the revenues and expenditures reported on the governmental fund financial statements appears in Table A-6 below:

Table A-6
Revenues and Expenditures - Governmental Funds

	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance Increase (Decrease)
General Fund	$ 633,091	$ 632,478	$ 34,000	$ 34,613
Fire Fund	132,565	94,488	13,512	51,589
Ambulance Fund	53,135	39,152	-	13,983
Economic Development Fund	20,395	51,793	62,455	31,057
Small Cities Development Fund	67,094	23,724	-	43,370
Library Fund	18,832	49,884	32,000	948
Totals	$ 925,112	$ 891,519	$ 141,967	$ 175,560

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Long-term debt to be serviced from user charges is recorded in the statement of fund net position of each respective fund. The Liquor fund reported a net operating loss while the Water, Sewer, Garbage, and EDA Housing funds each reported an operating profit for the year. The operating loss of the Liquor fund was primarily due to legal expenses, increased payroll expenses, and repairs and maintenance related to the remodeling and updating of the liquor store. The operating profits of the Water, Sewer, Garbage, and EDA Housing funds are attributed to the collection of charges for services. The inclusion of non-operating revenues and expenses resulted in an overall loss in the Liquor, Water, and Sewer funds while the Garbage and EDA Housing funds each maintained an overall profit. The shifts in the Water and Sewer funds were primarily due to interest expense of each fund and the transfer out of $106,000 from the Sewer fund to the General fund.

General Fund Budgetary Highlights The General and Fire funds are the only funds for which a formal budget is presented. The budgets are prepared on the modified accrual basis of accounting which is consistent with how the governmental fund statements are presented. The General fund experienced a fund surplus, consistent with the budget, for 2023. The City incurred an unbudgeted expense of $100,000 for its contribution to broadband infrastructure. This expense was offset with the transfer of $106,000 from the Sewer fund. Expenses for public safety were significantly below budget due to the City terminating the position of the police chief which is a permanent change for the City. Administrative expenses were in excess of budgeted amounts primarily due to an increase in wage related expenses and office supplies related to changes in accounting software and office assistance.

The Fire fund experienced a larger surplus, as compared to the budget, primarily due to fire calls and donations exceeding budgeted amounts. Expenses were higher than budgeted due to minor equipment purchases that were made as a result of utilizing donated funds for their intended purpose.

Capital Assets Note 4 to the financial statements presents an analysis of capital asset transactions occurring during the year ended December 31, 2023. Total governmental activities fixed assets increased by $6,000 which was the addition of a water tank in the Fire fund. Additionally, infrastructure previosly reported as "Constuction in Progress" was transferred to "Infrastructure" as complete.

Capital asset additions in the enterprise funds totaling $56,330 included the purchase of an auto fryer for $19,889 and a food preparation table for $11,803 in the Liqour fund as well as $24,638 for flooring improvements also in the Liquor fund.

Long-Term Debt At year end the City's total long-term debt was $2,544,353. This consisted of bonded indebtedness of $2,527,631, and notes payable of $16,722. Additonal information on the long-term debt outstanding is included in Note 5 to the financial statements.

FACTORS BEARING ON THE CITY'S FUTURE

The City is highly dependent on local government aid and property tax levies to support its governmental activities. Property tax reforms and state budget deficits may have an impact on future state aid which could shift the local tax burden.

CONTACTING CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City's citizens, taxpayers, customers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or would like additional information, contact the City Administrator, City of Ivanhoe, P.O. Box 54, Ivanhoe, Minnesota, 56142 or call (507) 694-1738.

CITY OF IVANHOE
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	$ 760,860	$ 142,640	$ 903,500
Restricted Cash	-	169,080	169,080
Due from Other Governments	7,845		7,845
Delinquent Taxes Receivable	16,090	-	16,090
Accounts Receivable	10,891	41,639	52,530
Internal Balances	130,702	(130,702)	-
Prepaid Items	19,575	10,064	29,639
Inventory	-	30,721	30,721
Delinquent and Deferred Special Assessments Receivable	356	-	356
Loans Receivable	174,413	-	174,413
Capital Assets:			
Nondepreciable	152,356	22,567	174,923
Depreciable, Net of Accumulated Depreciation	1,455,212	2,689,459	4,144,671
Total Assets	$ 2,728,300	$ 2,975,468	$ 5,703,768
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources from PERA (GERF and PEPFF)	$ 223,855	$ 63,728	$ 287,583
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,952,155	$ 3,039,196	$ 5,991,351
LIABILITIES			
Accounts Payable	$ 21,123	$ 13,231	$ 34,354
Accrued Salaries and Wages	7,290	5,297	12,587
Sales Tax Payable	-	4,866	4,866
Accrued Interest Payable	-	57,774	57,774
Customer Deposits	-	10,000	10,000
Accrued Compensated Absences	14,146	1,891	16,037
Unearned Revenue	58,729		58,729
Net Pension Liability PERA (GERF and PEPFF)	180,172	88,073	268,245
Long-Term Debt:			
Due Within One Year	18,211	137,465	155,676
Due in More Than One Year	38,511	2,350,166	2,388,677
Total Liabilities	$ 338,182	$ 2,668,763	$ 3,006,945
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources from PERA (GERF and PEPFF)	$ 222,098	$ 59,711	$ 281,809
Total Deferred Inflows of Resources	$ 222,098	$ 59,711	$ 281,809
NET POSITION			
Net Investment in Capital Assets	$ 1,550,846	$ 434,360	$ 1,985,206
Restricted	8,838	169,080	177,918
Unrestricted	832,191	(292,718)	539,473
Total Net Position	$ 2,391,875	$ 310,722	$ 2,702,597
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 2,952,155	$ 3,039,196	$ 5,991,351

The Accompanying Notes are an Integral Part of the Financial Statements

	BUSINESS-TYPE ACTIVITIES	TOTAL
	$ -	$ (103,347)
	-	(60,702)
	-	(256,903)
	-	(112,249)
	-	(2,274)
	-	(54,378)
	-	(146,439)
	$ -	$ (736,292)
	$ (109,295)	$ (109,295)
	(14,312)	(14,312)
	(32,599)	(32,599)
	226	226
	20,025	20,025
	$ (135,955)	$ (135,955)
	$ (135,955)	$ (872,247)
	$ -	$ 310,134
	-	264,028
	-	3,349
	-	50
	-	2,857
	-	3,700
	-	12,369
	-	52,455
	606	53,358
	389	447
	(106,000)	-
	$ (105,005)	$ 702,747
	$ (240,960)	$ (169,500)
	551,682	2,872,097
	$ 310,722	$ 2,702,597

CITY OF IVANHOE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	GENERAL FUND	SPECIAL REVENUE: FIRE FUND	SPECIAL REVENUE: AMBULANCE FUND	SPECIAL REVENUE: ECONOMIC DEVELOPMENT FUND
ASSETS				
Cash and Investments	$ 209,073	$ 212,543	$ 105,519	$ 51,263
Due from Other Governments	7,845			
Delinquent Taxes Receivable	16,090	-	-	-
Less: Allowance for Delinquent Taxes	(16,090)	-	-	-
Delinquent Special Assessments Receivable	356	-	-	-
Accounts Receivable	-	-	10,891	-
Due from Other Funds	379,974	322	-	6,556
Prepaid Expenses	14,607	2,375	1,087	763
Advances to Other Funds	204,026	-	-	-
Loans Receivable	-	-	-	8,845
TOTAL ASSETS	$ 815,881	$ 215,240	$ 117,497	$ 67,427
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ 18,372	$ 1,787	$ 841	$ 51
Salaries and Related Taxes Payable	5,322	-	790	-
Unearned Revenue	58,029	-	-	700
Due to Other Funds	287,058	47,200	-	11,746
Advances from Other Funds	39,089	-	106,857	-
Total Liabilities	$ 407,870	$ 48,987	$ 108,488	$ 12,497
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows from Special Assessments	$ 356	$ -	$ -	$ -
Deferred Inflows from Loans Receivable	-	-	-	-
Total Deferred Inflows of Resources	$ 356	$ -	$ -	$ -
FUND BALANCE				
Nonspendable	$ 218,633	$ 2,375	$ 1,087	$ 763
Restricted	-	8,838	-	-
Committed	-	11,050	-	-
Assigned	10,260	143,990	7,922	54,167
Unassigned	178,762	-	-	-
Total Fund Balance	$ 407,655	$ 166,253	$ 9,009	$ 54,930
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 815,881	$ 215,240	$ 117,497	$ 67,427

The Accompanying Notes are an Integral Part of the Financial Statements

	SPECIAL REVENUE		
	SMALL CITIES DEVELOPMENT FUND	LIBARARY FUND	TOTAL
	$ 77,994	$ 104,468	$ 760,860
			7,845
	-	-	16,090
	-	-	(16,090)
	-	-	356
	-	-	10,891
	96,408	-	483,260
	-	743	19,575
	39,089	-	243,115
	165,568	-	174,413
	$ 379,059	$ 105,211	$ 1,700,315
	$ -	$ 72	$ 21,123
	-	1,178	7,290
	-	-	58,729
	22,556	81,167	449,727
	-	-	145,946
	$ 22,556	$ 82,417	$ 682,815
	$ -	$ -	$ 356
	165,568	-	165,568
	$ 165,568	$ -	$ 165,924
	$ 39,089	$ 743	$ 262,690
	-	-	8,838
	-	-	11,050
	151,846	22,051	390,236
	-	-	178,762
	$ 190,935	$ 22,794	$ 851,576
	$ 379,059	$ 105,211	$ 1,700,315

CITY OF IVANHOE
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total Fund Balances for Governmental Funds			$	851,576
Total net position reported for governmental activities in the statement of net position is different because:				
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:				
Land	$	152,356		
Land Improvements, Net of $175,088 Accumulated Depreciation		14,706		
Buildings, Net of $320,037 Accumulated Depreciation		157,171		
Furniture and Equipment, Net of $1,173,678 Accumulated Depreciation		245,738		
Infrastructure, Net of $1,714,453 Accumulated Depreciation		1,037,597		1,607,568
Governmental funds report delinquent and deferred special assessments receivable and deferred economic development and rehab notes receivable as deferred income until such time as they are actually collected. In the statement of net position, these items are recorded as receivables as well as contract for deed when assessed or advanced and are not offset with a deferred liability.				
Delinquent Property Taxes Receivable Receivable	$	16,090		
Delinquent and Deferred Special Assessments Receivable		356		
Deferred Small Cities Rehab Loans		165,568		182,014
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year end are:				
Bonds Payable	$	(40,000)		
Notes Payable		(16,722)		
GERF Net Pension Liability		(107,643)		
PEPFF Net Pension Liability		(72,529)		
Compensated Absences Payable		(14,146)		(251,040)
Deferred Outflows of Resources and Deferred Inflows of Resource that pertain to the City's proportionate share in the GERF and PEPFF retirement plan are not recorded in the fund financial statements. Per GASB 68, these items must be recorded in the government-wide financial statements. The balances at year-end are:				
Deferred Outflows of Resources				
Deferred Outflows of Resources from GERF	$	77,887		
Deferred Outflows of Resources from PEPFF		145,968		223,855
Deferred Inflows of Resources				
Deferred Inflows of Resources from GERF	$	(72,980)		
Deferred Inflows of Resources from PEPFF		(149,118)		(222,098)
Total Net Position of Governmental Activities			$	2,391,875

CITY OF IVANHOE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	GENERAL FUND	SPECIAL REVENUE FIRE FUND	AMULANCE FUND	ECONOMIC DEVELOPMENT FUND
REVENUES				
General Property Taxes	$ 302,761	$ -	$ -	$ -
Licenses and Permits	3,349	-	-	-
Intergovernmental Aid	264,028	26,175	9,670	-
Charges for Services	22,011	71,490	31,402	-
Fines and Forfeits	50	-	-	-
Contributions and Donations	20,385	34,900	7,293	-
Interest	6	-	1	51
Rents	-	-	-	18,640
Rehab Grant/Loan Repayments	-	-	-	250
Refunds and Reimbursements	12,369	-	-	-
Miscellaneous	8,132	-	4,769	1,454
TOTAL REVENUES	$ 633,091	$ 132,565	$ 53,135	$ 20,395
EXPENDITURES				
General Government	$ 140,365	$ -	$ -	$ -
Public Safety	64,048	88,488	39,152	-
Public Works	212,189	-	-	-
Culture and Recreation	69,437	-	-	-
Capital Outlay	-	6,000	-	-
Housing and Economic Development	-	-	-	51,793
Miscellaneous	146,439	-	-	-
TOTAL EXPENDITURES	$ 632,478	$ 94,488	$ 39,152	$ 51,793
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 613	$ 38,077	$ 13,983	$ (31,398)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Property and Equipment	$ -	$ 3,700	$ -	$ -
Insurance Claims	-	-	-	52,455
Transfers from Other Funds	106,000	30,000	-	10,000
Transfers to Other Funds	(72,000)	-	-	-
Long-Term Debt Paid	-	(20,188)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	$ 34,000	$ 13,512	$ -	$ 62,455
NET CHANGE IN FUND BALANCES	$ 34,613	$ 51,589	$ 13,983	$ 31,057
FUND BALANCE - January 1	373,042	114,664	(4,974)	23,873
FUND BALANCE - December 31	$ 407,655	$ 166,253	$ 9,009	$ 54,930

The Accompanying Notes are an Integral Part of the Financial Statements

SPECIAL REVENUE		
SMALL CITIES DEVELOPMENT FUND	LIBARARY FUND	TOTAL
$ -	$ -	$ 302,761
-	-	3,349
-	16,478	316,351
-	-	124,903
-	-	50
-	-	62,578
2,857	-	2,915
-	-	18,640
64,194	-	64,444
-	-	12,369
43	2,354	16,752
$ 67,094	$ 18,832	$ 925,112
$ -	$ -	$ 140,365
-	-	191,688
-	-	212,189
-	49,884	119,321
-	-	6,000
23,724	-	75,517
-	-	146,439
$ 23,724	$ 49,884	$ 891,519
$ 43,370	$ (31,052)	$ 33,593
$ -	$ -	$ 3,700
-	-	52,455
-	32,000	178,000
-	-	(72,000)
-	-	(20,188)
$ -	$ 32,000	$ 141,967
$ 43,370	$ 948	$ 175,560
147,565	21,846	676,016
$ 190,935	$ 22,794	$ 851,576

CITY OF IVANHOE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Changes in Fund Balance - Total Governmental Funds			$ 175,560
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. Also, governmental funds report the proceeds from fixed assets sales as a revenue. However, in the statement of activities, the proceeds from fixed asset sales are netted against the fixed assets book value (cost less accumulated depreciation) and either a gain or loss on the sale is recognized.			
Capital Outlays	$	6,000	
Depreciation Expense		(90,307)	(84,307)
Governmental funds report delinquent and deferred special assessments receivable and deferred housing and commercial rehab notes receivable as deferred income until such time as they are actually collected. In the statement of activities, special assessments are recorded as revenue when assessed or advanced. Also, in the governmental funds, deferred rehab loans are recorded as expenditures when advanced and as revenue when received. In the statement of net position, principal collected on special assessments and notes receivable reduces the receivable and does not affect the statement of activities.			
Change in Deferred Property Taxes Receivable	$	7,373	
Net Rehab Loans Advanced and Principal Received		(28,445)	
Rehab Loans Forgiven		2,500	(18,572)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and repayment of bond principal reduces the liability and does not affect the statement of activities. Also, governmental funds report the effect of issuance discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest is recognized as it accrues. The net effect of these differences in the treatment of long - term debt and related items follows:			
Repayment of Bond and Note Principal			17,914
In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During the year, the compensated absence liability decreased by $437			437
The governmental funds report pension expense per the actuarial provided by both GERF and PEPFF retirement plans instead of the actual pension contributions paid by the city in the fund financial statements. The differences are as follows:			
GERF Pension Plan expense Diffence			(5,378)
PEPFF Pension Plan expense Difference			(14,194)
Change in Net Position of Governmental Activities			$ 71,460

The Accompanying Notes are an Integral Part of the Financial Statements

CITY OF IVANHOE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH BUDGET
REVENUES				
General Property Taxes	$ 327,161	$ 327,161	$ 302,761	$ (24,400)
Licenses and Permits	2,000	2,000	3,349	1,349
Intergovernmental Aid	239,674	239,674	264,028	24,354
Charges for Services	27,045	27,045	22,011	(5,034)
Fines and Forfeits	600	600	50	(550)
Contributions and Donations	-	-	20,385	20,385
Interest	75	75	6	(69)
Insurance Refunds and Dividends	5,000	5,000	12,369	7,369
Miscellaneous	5,000	5,000	8,132	3,132
TOTAL REVENUES	$ 606,555	$ 606,555	$ 633,091	$ 26,536
EXPENDITURES				
General Government	$ 105,260	$ 105,260	$ 140,365	$ (35,105)
Public Safety	82,097	82,097	64,048	18,049
Public Works	221,291	221,291	212,189	9,102
Recreation	90,781	90,781	69,437	21,344
Miscellaneous	12,000	12,000	146,439	(134,439)
TOTAL EXPENDITURES	$ 511,429	$ 511,429	$ 632,478	$ (121,049)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 95,126	$ 95,126	$ 613	$ (94,513)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Property	$ -	$ -	$ -	$ -
Transfers from Other Funds	-	-	106,000	106,000
Transfers to Other Funds	(72,000)	(72,000)	(72,000)	-
Long-Term Debt Paid	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	$ (72,000)	$ (72,000)	$ 34,000	$ 106,000
NET CHANGE IN FUND BALANCE	$ 23,126	$ 23,126	$ 34,613	$ 11,487
FUND BALANCE - January 1	373,042	373,042	373,042	
FUND BALANCE - December 31	$ 396,168	$ 396,168	$ 407,655	$ 11,487

The Accompanying Notes are an Integral Part of the Financial Statements

CITY OF IVANHOE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	LIQUOR FUND	WATER FUND	SEWER FUND	GARBAGE FUND
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 92,175	$ -	$ 45,914	$ 27,971
Restricted Cash	-	30,424	128,656	-
Accounts Receivable	4,374	17,387	15,579	4,299
Inventories	30,721	-	-	-
Due from Other Funds	-	273,380	-	-
Prepaid Expense	4,049	905	1,379	-
Total Current Assets	$ 131,319	$ 322,096	$ 191,528	$ 32,270
CAPITAL ASSETS				
Land	$ 817	$ 7,250	$ 14,500	$ -
Buildings	256,501	-	-	-
Improvements Other than Buildings	-	1,717,787	2,280,592	-
Furniture and Equipment	129,881	23,158	32,883	-
Total Capital Assets	$ 387,199	$ 1,748,195	$ 2,327,975	$ -
Less: Accumulated Depreciation	(317,355)	(840,083)	(729,969)	
Net Capital Assets	$ 69,844	$ 908,112	$ 1,598,006	$ -
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources from PERA (GERF)	$ 42,485	$ 14,162	$ 7,081	$ -
Total Deferred Outflows of Resources	$ 42,485	$ 14,162	$ 7,081	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 243,648	$ 1,244,370	$ 1,796,615	$ 32,270
LIABILITIES				
CURRENT LIABILITIES				
Cash and Cash Equivalents				
Checks Written in Excess of Bank Balance	$ -	$ 148,321	$ -	$ -
Accounts Payable	2,157	4,028	-	2,707
Salaries and Related Taxes Payable	3,620	1,048	629	-
Accrued Compensated Absences	-	1,182	709	-
Sales Tax Payable	3,793	782	-	291
Due To Other Funds	292,985	313	540	-
Accrued Interest Payable	-	13,337	44,437	-
Customer Deposits	-	-	-	-
Current Amount of Long-term Debt	-	56,265	42,736	-
Total Current Liabilities	$ 302,555	$ 225,276	$ 89,051	$ 2,998
LONG-TERM LIABILITIES				
Advances from Other Funds	$ -	$ -	$ -	$ -
Net Pension Liability	58,715	19,572	9,786	-
Notes/Bonds Payable	-	543,596	1,622,197	-
Less: Current Amount	-	(56,265)	(42,736)	-
Net Long-Term Liabilities	$ 58,715	$ 506,903	$ 1,589,247	$ -
Total Liabilities	$ 361,270	$ 732,179	$ 1,678,298	$ 2,998
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources from PERA (GERF)	$ 39,807	$ 13,269	$ 6,635	$ -
Total Deferred Inflows of Resources	$ 39,807	$ 13,269	$ 6,635	$ -
NET POSITION				
Net Investment in Capital Assets	$ 69,844	$ 364,516	$ -	$ -
Restricted	-	30,424	128,656	-
Unrestricted	(227,273)	103,982	(16,974)	29,272
Total Net Position	$ (157,429)	$ 498,922	$ 111,682	$ 29,272
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 243,648	$ 1,244,370	$ 1,796,615	$ 32,270

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS	
EDA HOUSING FUND	TOTAL
$ 124,901	$ 290,961
10,000	169,080
-	41,639
-	30,721
-	273,380
3,731	10,064
$ 138,632	$ 815,845
$ -	$ 22,567
1,035,787	1,292,288
-	3,998,379
-	185,922
$ 1,035,787	$ 5,499,156
(899,723)	(2,787,130)
$ 136,064	$ 2,712,026
$ -	$ 63,728
$ -	$ 63,728
$ 274,696	$ 3,591,599
$ -	$ 148,321
4,339	13,231
-	5,297
-	1,891
-	4,866
13,075	306,913
-	57,774
10,000	10,000
38,464	137,465
$ 65,878	$ 685,758
$ 97,169	$ 97,169
-	88,073
321,838	2,487,631
(38,464)	(137,465)
$ 380,543	$ 2,535,408
$ 446,421	$ 3,221,166
$ -	$ 59,711
$ -	$ 59,711
$ -	$ 434,360
10,000	169,080
(181,725)	(292,718)
$ (171,725)	$ 310,722
$ 274,696	$ 3,591,599

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

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	LIQUOR FUND	WATER FUND	SEWER FUND	GARBAGE FUND
OPERATING REVENUES				
Gross Margins on Sales	$ 173,543	$ -	$ -	$ -
Utility Charges	-	146,810	120,958	36,139
Rent Income	-	-	-	-
Total Operating Revenues	$ 173,543	$ 146,810	$ 120,958	$ 36,139
OPERATING EXPENSES				
Salaries and Related Payroll Expense	$ 132,743	$ 34,178	$ 20,334	$ -
PERA	8,725	2,700	1,523	-
Advertising	2,851	-	-	-
Credit Card Fees	14,981	-	-	-
Professional Services	42,782	-	-	-
Supplies	6,549	-	-	-
Insurance	13,407	1,811	3,132	-
Water Purchased	-	46,053	-	-
Refuse Collection	-	-	-	35,913
Bonds, Licenses, and Tax	500	-	-	-
Lawn Care and Snow Removal	-	-	-	-
Repairs and Maintenance	29,468	5,031	24,270	-
Travel and Education	-	1,811	-	-
Utilities	19,691	3,070	1,323	-
Payment in Lieu of Taxes	-	-	-	-
Miscellaneous	2,013	13,322	1,197	-
Depreciation	9,135	37,955	57,587	-
Total Operating Expenses	$ 282,845	$ 145,931	$ 109,366	$ 35,913
OPERATING INCOME (LOSS)	$ (109,302)	$ 879	$ 11,592	$ 226
NONOPERATING REVENUE (EXPENSES)				
PERA Grant - MN	$ 7	$ 2	$ 91	$ -
Interest Income	340	46	-	-
Miscellaneous Income	-	-	-	-
Interest Expense	-	(15,193)	(44,282)	-
Total Nonoperating Revenue (Expenses)	$ 347	$ (15,145)	$ (44,191)	$ -
INCOME (LOSS) BEFORE TRANSFERS	$ (108,955)	$ (14,266)	$ (32,599)	$ 226
Transfers to Other Funds	-	-	(106,000)	-
CHANGE IN NET POSITION	$ (108,955)	$ (14,266)	$ (138,599)	$ 226
NET POSITION - January 1	(48,474)	513,188	250,281	29,046
NET POSITION - December 31	$ (157,429)	$ 498,922	$ 111,682	$ 29,272

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS	
EDA HOUSING FUND	TOTAL
$ -	$ 173,543
-	303,907
113,393	113,393
$ 113,393	$ 590,843
$ -	$ 187,255
-	12,948
-	2,851
-	14,981
1,219	44,001
-	6,549
8,925	27,275
-	46,053
-	35,913
-	500
11,072	11,072
22,745	81,514
-	1,811
-	24,084
5,585	5,585
172	16,704
37,333	142,010
$ 87,051	$ 661,106
$ 26,342	$ (70,263)
$ -	$ 100
3	389
606	606
(6,317)	(65,792)
$ (5,708)	$ (64,697)
$ 20,634	$ (134,960)
-	(106,000)
$ 20,634	$ (240,960)
(192,359)	551,682
$ (171,725)	$ 310,722

CITY OF IVANHOE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	LIQUOR FUND	WATER FUND	SEWER FUND	GARBAGE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$ 495,199	$ 142,685	$ 116,087	$ 35,302
Cash Paid to Suppliers	(459,108)	(69,963)	(30,199)	(35,593)
Cash Paid for Payroll	(139,091)	(35,807)	(21,433)	-
Net Cash Flow from Operating Activities	$ (103,000)	$ 36,915	$ 64,455	$ (291)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Paid for Transfers to Other Funds	$ -	$ (261,318)	$ (136,507)	$ -
Cash Received from Transfers from Other Funds	141,519	-	-	-
Net Cash Flow from Noncapital Financing Activities	$ 141,519	$ (261,318)	$ (136,507)	$ -
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash Paid for Long-Term Debt Retirements	$ -	$ (28,075)	$ (30,925)	$ -
Cash Paid for Interest on Debt	-	(15,489)	(45,157)	-
Cash Paid for Purchase of Fixed Assets	(56,329)	-	-	-
Net Cash Flow Used in Capital and Related Financing Activities	$ (56,329)	$ (43,564)	$ (76,082)	$ -
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Interest on Investments	$ 340	$ 46	$ -	$ -
Net Cash Flow from Investing Activities	$ 340	$ 46	$ -	$ -
NET INCREASE (DECREASE) IN CASH	$ (17,470)	$ (267,921)	$ (148,134)	$ (291)
BEGINNING CASH - January 1	109,645	150,024	322,704	28,262
ENDING CASH - December 31	$ 92,175	$ (117,897)	$ 174,570	$ 27,971
ANALYSIS OF CASH - December 31				
Cash in Checking	$ 92,175	$ (117,897)	$ 174,570	$ 27,971
Total	$ 92,175	$ (117,897)	$ 174,570	$ 27,971
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	$ (109,302)	$ 879	$ 11,592	$ 226
Other Revenue	7	2	91	-
Noncash Items Included in Net Income:				
Depreciation	9,135	37,955	57,587	-
(Increase) Decrease in Accounts Receivable	(589)	(4,125)	(4,871)	(837)
(Increase) Decrease in Inventories	2,242	-	-	-
(Increase) Decrease in Prepaid Expense	(234)	(478)	(277)	-
(Increase) Decrease in Deferred Outflows of Resources from PERA	10,408	3,469	1,735	-
Increase (Decrease) in Accounts Payable	(5,956)	831	-	29
Increase (Decrease) in Payroll Withholdings and Accruals	(323)	(215)	(129)	-
Increase (Decrease) in Accrued Compensated Absences	(240)	306	(28)	-
Increase (Decrease) in Sales Tax Payable	(673)	782	-	291
Increase (Decrease) in Net Pension Liability	(17,317)	(5,772)	(2,886)	-
Increase (Decrease) in Deferred Inflows of Resources from PERA	9,842	3,281	1,641	-
Increase (Decrease) in Customer Deposits	-	-	-	-
Net Cash Flow Provided by Operating Activities	$ (103,000)	$ 36,915	$ 64,455	$ (291)

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS	
EDA HOUSING FUND	TOTAL
$ 116,999	$ 906,272
(49,718)	(644,581)
-	(196,331)
$ 67,281	$ 65,360
$ -	$ (397,825)
18,094	159,613
$ 18,094	$ (238,212)
$ (37,777)	(96,777)
(6,317)	(66,963)
-	(56,329)
$ (44,094)	$ (220,069)
$ 3	$ 389
$ 3	$ 389
$ 41,284	$ (392,532)
93,617	704,252
$ 134,901	$ 311,720
$ 134,901	311,720
$ 134,901	$ 311,720
$ 26,342	$ (70,263)
606	706
37,333	142,010
-	(10,422)
-	2,242
(93)	(1,082)
-	15,612
93	(5,003)
-	(667)
-	38
-	400
-	(25,975)
-	14,764
3,000	3,000
$ 67,281	$ 65,360

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ivanhoe, Minnesota, have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of the potential component units addressed in defining the government's reporting entity.

Included in the Reporting Entity:

Economic Development Authority of Ivanhoe, Minnesota - The Organization was formed to encourage, attract, promote and develop economically sound industry and commerce within the City. The Board of Directors consists of five members who are appointed by the Mayor with approval of the City Council. Two directors must be members of the City Council. The City of Ivanhoe is financially accountable for the Authority. All activities of the Authority are reported as a blended component unit (special revenue fund) in the City's financial statements. No separate financial statements are prepared.

Excluded from the Reporting Entity:

Ivanhoe Volunteer Fire Relief Association - The Association is organized as a non-profit organization by its members to provide pension and other benefits to such members in accordance with Minnesota statutes. The Association's Board of Directors is elected by the membership of the Association. All funding is obtained in accordance with Minnesota statutes whereby state aids and tax levies, which are determined by the Association, flow through the City to the Association. The Association pays benefits directly to its members and has its financial activities reported on state reporting forms.

Government-wide and Fund Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally 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.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from activities for the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary and fiduciary. Currently, the City has only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has elected to report all funds as major funds.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied subject to an allowance for uncollectables. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont.

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

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 after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims, are recorded only when payment is due.

The City reports deferred inflows of resources on its governmental fund combined balance sheet. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflows of resources is removed from the combined balance sheet and revenue is recognized.

Major revenues that are susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services and interest on investments.

The City reports the following major funds:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of certain specific revenue sources that are legally or voluntarily restricted to expenditures for specified purposes.

Fire Department Fund - The Fire Department Fund accounts for all financial resources of the City's volunteer fire department.

Ambulance Fund - The Ambulance Fund accounts for all financial resources of the City's volunteer ambulance.

Economic Development Fund - The Economic Development Fund was established to account for financial resources to be used for the growth and development of commercial, residential, and industrial concerns in the City.

Small Cities Development Program Fund - The Small Cities Development Program Fund accounts for the activity of the Small Cities Development grants received by the City.

Library Fund - The Library Fund accounts for all financial resources of the City's library.

Proprietary Fund Type

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate. The City has established a Water Fund, Sewer Fund, Garbage Fund, Liquor Fund, and EDA Housing Fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the City's enterprise funds are charges to customers for sales and services, administrative expense, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expense.

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 enterprise functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable fund balance, is not employed by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont.

Cash and Temporary Investments

Cash balances are invested to the extent available in certificates of deposit and other allowable investments. Earnings from investments are recorded in the respective funds. Investments are stated at the lower of cost plus accrued interest or market. For purposes of the Statements of Cash Flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

Restricted Cash

The City reports restricted cash for customer deposits in the EDA Housing Fund. This cash will be refunded to the customer or applied to an accounts receivable balance when the conditions of refunding the deposit are met.

Certain resources set aside for short lived asset replacement are classified as restricted cash in the Water Fund and Sewer Fund on the Statement of Net Position based on the requirements of bond covenants.

Taxes Receivable

Property tax levies are set by the City Council in September each year, and are certified to Lincoln County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other taxing districts three times a year. Generally, the settlements are received in January, June, and December.

Real Estate taxes become a lien on January 1 and are recorded as receivable by the City on that date. Taxes which remain unpaid at December 31, are classified as delinquent taxes receivable, and are fully offset by a contra account, estimated uncollectible taxes, because they are not available to finance current expenditures.

Special Assessments

Special assessments receivable represent amounts due from city residents for public works improvements made adjacent to their property and for services provided. They include the following components:

1. Delinquent installments including interest remaining unpaid as of year end.
2. Deferred installments which will be billed to property owners in the future.

In the governmental fund statements, delinquent and deferred assessments are fully offset by a liability account, deferred inflows of resources from special assessments. Accordingly, they are not recorded as revenues until actually collected. Assessments in the proprietary funds and government-wide financial statements are recorded as revenue at the time the assessment is made.

Accounts Receivable

Accounts receivable for utility bills are reviewed each September for delinquent balances. Since delinquent balances are certified to the county auditor to be placed on special assessments, no allowance for uncollectables is considered necessary.

Loans Receivable

Loans receivable include amounts receivable from borrowers under the Small Cities Development Program and through EDA loans. The loans bear interest and are set up on a payment schedule under various terms with the individuals. No allowance for uncollectible amounts is deemed necessary.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories

Inventories of the Liquor Fund are priced at cost. Since the City does not operate a central store, supplies and other consumable items are expensed in the respective funds when they are purchased.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets 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 cost of $5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value on the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont.

Capital Assets Cont.

The cost of normal maintenance and repairs that do not add to the value or materially extend the assets useful life are not capitalized.

Depreciation on exhaustible capital assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 40 Years
Improvements other than buildings	20 - 40 Years
Public domain infrastructure	20 - 100 Years
Machinery & equipment	5 - 20 Years

Deferred Outflows of Resources

In addition to assets, the statement of net position and fund financial statements will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City of Ivanhoe has has one item that qualifies for reporting in this category - a deferred outflow relating to pension activity, reported in the government-wide statement of net position and proprietary statement of net position. A deferred outflow relating to pension activity results from the net effect of the change in proportionate share and employer contributions to PERA.

Compensated Absences

Eligible employees of the City earn vacation time at various rates based on years of service. Vacation leave earned cannot be accrued beyond 20 days. Employees leavings in good standing will be compensated for vacation leave earned but not used. Therefore, a liability is recorded for accumulated vacation at December 31, 2023. Eligible employees of the City earn sick leave at various rates based on years of service. Sick leave cannot be accrued beyond 120 days. Employees with ten years of full-time service and less than 20 years shall be paid one-fourth of accumulated sick leave. Employees with 20 years of full-time service shall be paid one-half of accumulated sick leave. Therefore, a liability is recorded for accumulated sick leave for these employees at December 31, 2023.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net pension 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.

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. Existing bonded debt is reported at the face value of remaining indebtedness. For any new indebtedness that may be issued, bond premiums and discounts will be deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs are expensed when paid.

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City of Ivanhoe has two items, which arise only under a modified accrual basis of accounting, that qualify as needing to be reported in this category. Accordingly, these items, related to special assessments and loans receivable, are reported only in the governmental funds balance sheet.

Furthermore, the City has an additional item which qualifies for reporting in this category in the statement of net position. The item, deferred inflows of resources from PERA (GERF and PEPFF), is reported only in the statement of net position and results from actuarial calculations involving net differences between projected and actual earnings on plan investments and changes in proportion related to PERA.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Cont.

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 as follows:

Nonspendable - consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items.

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

Committed - consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to City Council Resolution, the City's Finance Director and/or City Administrator is authorized to establish assignments of fund balance.

Unassigned - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

The City uses 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.

To ensure the financial strength of the City, the City Council will strive to maintain a minimum unassigned General Fund balance of at least three to six months of operating expenditures of the subsequent year.

Net Position

In the government-wide financial statements, net position represent the difference between assets and liabilities. Net position is displayed in three components:

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

Use of Estimates

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

Fair Values

The carrying amounts for cash, short-term investments, receivables, accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. None of the cash or investment accounts are subject to fair value measurement under GASB Statement No. 72.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The coming year's budgets are prepared in August and September of each year by the City Administrator. The budget is approved at the regular council meeting prior to the deadline date for levy certification to the county auditor. The budgets are prepared on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year end.

3. CASH AND INVESTMENTS

Deposits

Minn. Stat. § 118A.02 and § 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Min. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the tinancial institution's banking day, not covered by insurance or bonds.

3. CASH AND INVESTMENTS Cont.

Deposits Cont.

Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better and revenue obligations rated "AA" or better; irrevocable standy letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the 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.

As of December 31, 2023, the carrying amount of the City's deposits with financial institutions was $1,067,953 and the bank balance was $1,132,895. The bank balance is categorized as follows:

Insured by FDIC insurance	$	309,267
Covered by collateral assigned to City and not redeposited in the financial institution furnishing the collateral		823,628
Total Bank Balance	$	1,132,895

Investments

Minn. Stat. § 118A.04 and § 118A.05 generally authorize the following types of investments as available to the City:

(1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat § 118A.04 subd. 6;

(2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

(3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

(4) bankers' acceptances of United States banks;

(5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and mature in 270 days or less; and

(6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that addresses interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal investment policy that addresses credit risk.

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 an investment or collateral securities in the possesion of an outside party. The City does not have a formal investment policy that addresses custodial credit risk.

Concentration of Credit Risk

As of and during the year ended December 31, 2023, the City did not own any investments that required disclosure regarding interest rate risk, credit risk, or custodial credit risk.

4. CAPITAL ASSETS

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

	BALANCE 1-01-23	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 12-31-23
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	$ 152,356			$ 152,356
Construction In Process	45,020		(45,020)	-
Total Capital Assets Not Being Depreciated	$ 197,376	$ -	$ (45,020)	$ 152,356
Capital Assets Being Depreciated				
Land Improvements	$ 189,794			$ 189,794
Buildings	477,208			477,208
Furniture and Equipment	1,413,416	$ 6,000		1,419,416
Infrastructure	2,707,030	45,020		2,752,050
Total Capital Assets Being Depreciated	$ 4,787,448	$ 51,020	$ -	$ 4,838,468
Less Accumulated Depreciation For				
Land Improvements	$ (174,760)	$ (328)		$ (175,088)
Buildings	(309,183)	(10,854)		(320,037)
Furniture and Equipment	(1,123,086)	(50,592)		(1,173,678)
Infrastructure	(1,685,920)	(28,533)		(1,714,453)
Total Accumulated Depreciation	$ (3,292,949)	$ (90,307)	$ -	$ (3,383,256)
Total Capital Assets, Being Depreciated, Net	$ 1,494,499			$ 1,455,212
Governmental Activities Capital Assets, Net	$ 1,691,875			$ 1,607,568

Depreciation expense for governmental activities is allocated to functions as follows:

Public Safety	$ 36,187
Public Works	44,714
Recreation	9,406
Total Governmental Activities Depreciation Expense	$ 90,307

	BALANCE 1-01-23	ADDITIONS	DISPOSALS	BALANCE 12-31-23
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	$ 22,567			$ 22,567
Capital Assets Being Depreciated				
Land Improvements	$ 3,998,379	$		$ 3,998,379
Buildings	1,267,651	24,637		1,292,288
Furniture and Equipment	154,229	31,693		185,922
Total Capital Assets Being Depreciated	$ 5,420,259	$ 56,330	$ -	$ 5,476,589
Less Accumulated Depreciation For				
Land Improvements	$ (1,462,867)	$ (89,937)		$ (1,552,804)
Buildings	(1,080,252)	(40,525)		(1,120,777)
Furniture and Equipment	(102,001)	(11,548)		(113,549)
Total Accumulated Depreciation	$ (2,645,120)	$ (142,010)	$ -	$ (2,787,130)
Total Capital Assets, Being Depreciated, Net	$ 2,775,139			$ 2,689,459
Business-Type Activities Capital Assets, Net	$ 2,797,706			$ 2,712,026

Depreciation expense for business-type activities is allocated to functions as follows:

Water Fund	$ 37,955
Sewer Fund	57,587
Municipal Liquor Fund	9,135
EDA Housing Fund	37,333
Total Business-Type Activities Depreciation Expense	$ 142,010

5. LONG-TERM LIABILITIES

Revenue Bonds

The Governmental Housing Gross Revenue Refunding Bonds, Series 2001 were issued to finance the construction of the EDA Housing complex. These bonds will be repaid with revenues received in the EDA Housing Fund. Interest paid in 2023 was $6,317.

The annual debt service requirements to maturity for revenue bonds are as follows:

	Business-Type Activities		
YEAR OF PAYMENT	PRINCIPAL	INTEREST	TOTAL
2024	$ 38,464	$ 5,630	$ 44,094
2025	39,165	5,257	44,422
2026	39,947	4,474	44,421
2027	40,745	3,676	44,421
2028	41,559	2,862	44,421
2029-2031	121,958	3,545	125,503
	$ 321,838	$ 25,444	$ 347,282

General Obligation Revenue Bonds

The General Obligation Utility Revenue Bond, Series 2015 was issued to finance the force main project. This bond will be repaid with sewer and water charges received specifically for the purpose of paying the debt. Interest paid in 2023 was $56,947.

The annual debt service requirements to maturity for general obligation revenue bonds are as follows:

	Business-Type Activities		
YEAR OF PAYMENT	PRINCIPAL	INTEREST	TOTAL
2024	$ 40,000	$ 55,874	$ 95,874
2025	42,000	54,973	96,973
2026	43,000	53,817	96,817
2027	44,000	52,635	96,635
2028	45,000	51,425	96,425
2029-2033	245,000	237,848	482,848
2034-2038	281,000	202,180	483,180
2039-2043	321,000	161,452	482,452
2044-2048	370,000	114,675	484,675
2049-2053	421,000	61,078	482,078
2054-2055	179,793	7,755	187,548
	$ 2,031,793	$ 1,053,712	$ 3,085,505

General Obligation Notes

The General Obligation Refunding Notes, Series 2012A were issued to refinance the construction of the fire hall. These notes will be repaid with ad valorem tax levies in the Fire Department Fund. Interest paid in 2023 was $1,350.

The annual debt service requirements to maturity for general obligation notes are as follows:

	Governmental Activities		
YEAR OF PAYMENT	PRINCIPAL	INTEREST	TOTAL
2024	$ 10,000	$ 1,050	$ 11,050
2025	10,000	750	10,750
2026	10,000	450	10,450
2027	10,000	150	10,150
	$ 40,000	$ 2,400	$ 42,400

General Obligation Revenue Notes

The General Obligation Utility Revenue Notes, Series 2012A were issued to finance the portion of the capital improvements attributed to the water system. These notes will be repaid with water charges received specifically for the purpose of paying the debt. Interest paid in 2023 was $3,300.

The General Obligation Utility Revenue Refunding Note, Series 2016A was issued to refinance the $235,000 General Obligation Refunding Bonds of 2006. The 2006 Series bonds matured semi-annually on January 1, 2007 through 2024 and were callable on October 10, 2016. The 2016A refunding bonds were issued at par, and after paying issuance costs of $3,800, the net proceeds of $238,200 was used for the following: $237,778 was used to pay the 2006 bonds with the remaining $422 being refunded to the City for future debt service. As a result of the refunding, the City reduced its total debt service requirements by $18,047 which resulted in an economic gain of $17,019. These bonds will be repaid with utility charges received specifically for the purpose of paying the debt. Interest paid in 2023 was $0 due to two payments having been during 2022 and no payment during 2023.

5. LONG-TERM LIABILITIES Cont.

General Obligation Revenue Notes Cont.

The annual debt service requirements to maturity for general obligation revenue notes are as follows:

	Business-Type Activities		
YEAR OF PAYMENT	PRINCIPAL	INTEREST	TOTAL
2024	$ 59,000	$ 3,025	$ 62,025
2025	25,000	1,875	26,875
2026	25,000	1,125	26,125
2027	25,000	375	25,375
	$ 134,000	$ 6,400	$ 140,400

Notes Payable

The City has a note payable with USDA-Rural Development for the purchase of a fire truck. The total cost of the equipment purchased was $244,018. This note will be repaid with ad valorem tax levies in the Fire Department Fund. Interest paid in 2023 was $924.

The annual debt service requirements to maturity for notes payable are as follows:

	Governmental Activities		
YEAR OF PAYMENT	PRINCIPAL	INTEREST	TOTAL
2024	$ 8,211	$ 627	$ 8,838
2025	8,511	327	8,838
	$ 16,722	$ 954	$ 17,676

Changes in Long-term Liabilities

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

	BALANCE 1-01-23	ADDITIONS	PAYMENTS/ REDUCTIONS	BALANCE 12-31-23	CURRENT AMOUNT
Governmental Activities					
General Obligation Notes	$ 50,000	$ -	$ 10,000	$ 40,000	$ 10,000
Notes Payable	24,636	-	7,914	16,722	8,211
Total Amortizable Debt	$ 74,636	$ -	$ 17,914	$ 56,722	$ 18,211
Compensated Absences	14,583	-	437	14,146	14,146
	$ 89,219	$ -	$ 18,351	$ 70,868	$ 32,357

	BALANCE 1-01-23	ADDITIONS	PAYMENTS/ REDUCTIONS	BALANCE 12-31-23	CURRENT AMOUNT
Business-type Activities					
General Obligation Revenue Bonds	$ 2,070,793	$ -	$ 39,000	$ 2,031,793	$ 40,000
Revenue Bonds	359,615	-	37,777	321,838	38,465
General Obligation Revenue Notes	154,000	-	20,000	134,000	59,000
Total Amortizable Debt	$ 2,584,408	$ -	$ 96,777	$ 2,487,631	$ 137,465
Compensated Absences	1,853	38	-	1,891	1,891
	$ 2,586,261	$ 38	$ 96,777	$ 2,489,522	$ 139,356

5. LONG-TERM LIABILITIES Cont.

Bonds and notes payable at December 31, 2023, are comprised of the following individual issues:

ISSUANCE		ORIGINAL ISSUANCE	MATURITY DATE	INTEREST RATE		BALANCE OUTSTANDING
General Obligation and Revenue Bonds:						
G.O. Refunding Notes, Series 2012A	$	134,000	2-01-27	3.00%	$	40,000
G.O. Utility Revenue Bond, Series 2015	$	2,294,000	8-25-55	2.75%		2,031,793
G.O. Utility Revenue Notes, Series 2012A	$	298,000	2-01-27	3.00%		100,000
G.O. Utility Revenue Refunding Note, Series 2016A	$	242,000	1-01-24	2.35%		34,000
Governmental Housing Gross Revenue Refunding Bonds, Series 2001	$	895,000	10-01-31	Various		321,838
Total General Obligation and Revenue Bonds					$	2,527,631
Notes Payable:						
USDA-Rural Devlopment Note Payable	$	100,000	10-04-25	3.75%	$	16,722
Total Bonds and Notes Payable					$	16,722
					$	2,544,353

6. DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City of Ivanhoe 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.

1. General Employees Retirement Fund (General Employees Plan (accounted for in the General Employees Fund) (GERF))
   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.

2. Public Employees Police and Fire Fund (Police and Fire Plan (accounted for in the Police and Fire Fund) (PEPFF))
   The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA. The Ivanhoe Fire Relief Association has elected not to merge with PERA.

B. Benefits Provided

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

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% 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 un-reduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of 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.

6. DEFINED BENEFIT PENSION PLANS Cont.

B. Benefits Provided Cont.

2. Police and Fire Plan Benefits

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

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

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

C. Contributions

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

1. 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 7.5 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were $20,788. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023, were $5,092. The City's contributions were equal to the required contributions as set by state statute

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of $195,716 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 $5,250.

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 proportion share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer 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 .0035 percent at the end of the measurement period and .0032 percent for the beginning of the period.

City of Ivanhoe's proportionate share of the net pension liability	$195,716
State of Minnesota's proportionate share of the net pension liability associated with the City of Ivanhoe	5,250
Total	$200,966

For the year ended December 31, 2023, the City recognized pension expense of $5,155 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional $24 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.

6. DEFINED BENEFIT PENSION PLANS Cont.

D. Pension Costs Cont.

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	$ 6,295	$ 1,078
Changes in Actuarial Assumptions	25,492	53,644
Net Difference Between Projected and Actual Investment Earnings	-	222
Changes in proportion	26,361	4,496
Contributions Paid to PERA Subsequent to the Measurement Date	10,217	-
TOTAL	$ 68,365	$ 59,440

The $10,217 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.
Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Pension Expense Amount
2024	$ 8,923
2025	(14,330)
2026	8,360
2027	(4,245)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of $72,529 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for the 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 .0042 percent at the end of the measurement period and .0043 percent for the beginning of the period.

The State of Minnesota contributed $18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of $9 million in direct state aid that meets the definition of a special funding situation and $9 million in supplemental state aid that does not meet the definition of a special funding situation. The $9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay $9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The $9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled $2,942.

City of Ivanhoe's proportionate share of the net pension liability	$72,529
State of Minnesota's proportionate share of the net pension liability associated with the City of Ivanhoe	2,942
Total	$75,471

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the $9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of ($1,901) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized $177 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of $9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the $9 million in supplemental state aid. The City recognized $378 for the year ended December 31, 2023, as revenue and an offsetting reduction in net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

6. DEFINED BENEFIT PENSION PLANS Cont.

D. Pension Costs Cont.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 20,206	$ -
Changes in Actuarial Assumptions	86,167	101,994
Net Difference Between Projected and Actual Investment Earnings	-	3,369
Changes in proportion	177	4,337
City Contributions Subsequent to the Measurement Date	-	-
TOTAL	$ 106,550	$ 109,700

The City had no contributions subsequent to the measurement date. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Pension Expense Amount
2024	$ 2,789
2025	197
2026	17,792
2027	(5,208)
2028	(18,720)

3. Total Pension Expense

The total pension expense for all plans recognized by the City for the year ended December 31, 2023, was $3,254.

E. Long-term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

F. Actuarial Methods and Assumptions

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

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1.0% for the Police and Fire Plan.

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

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

6. DEFINED BENEFIT PENSION PLANS Cont.

F. Actuarial Methods and Assumptions Cont.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions:
- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provision:
- 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 retired after June 30, 2010, was changed from five years of allowable service to three years of allowable service
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:
- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed form 5.4% to 7.0%.

Changes in Plan Provisions
- An additional one-time direct state aid contribution of $19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3% will be payable in a lump sum for calendar year 2024 by March 31, 2024
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan and the Police and Fire Plan 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 1 percentage point lower or 1 percentage point higher than the current discount rate:

Sensitivity Analysis of Net Pension Liability at Different Discount Rates (in thousands)

	General Employees Fund			Police and Fire Fund		
1% Lower	6.00%	$	346,237	6.00%	$	143,905
Current Discount Rate	7.00%	$	195,716	7.00%	$	72,529
1% Higher	8.00%	$	71,907	8.00%	$	13,847

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.

7. INTERFUND BALANCES

At December 31, 2023, interfund balances are as follows:

DUE TO/FROM OTHER FUNDS

General Fund:		
Due from Economic Development Fund	$	10,942
Due from Library Fund		81,167
Due from Water Fund		313
Due from Sewer Fund		540
Due from Liquor Fund		287,012
	$	379,974
Fire Fund:		
Due from General Fund	$	322
EDA Fund:		
Due from EDA Housing	$	4,000
Due from Small Cities Development Fund		2,556
		6,556
Small Cities Development Fund:		
Due from General Fund	$	81,736
Due from Economic Development Fund		804
Due from Rotherwood Fund		9,075
Due from Liquor Fund		4,793
	$	96,408
Water Fund:		
Due from General Fund	$	205,000
Due from Fire Fund		47,200
Due from Small Cities Development Fund		20,000
Due from Liquor Fund		1,180
		273,380
Total Due To/From Other Funds	$	756,640

ADVANCES FROM/TO OTHER FUNDS

General Fund:		
Due from EDA Housing	$	97,169
Due from Ambulance Fund		106,857
	$	204,026
Small Cities Development Fund:		
Due from General Fund	$	39,089
Total Advances From/To Other Funds	$	243,115

The above intefund balances related to eliminating cash deficits.

8. TRANSFERS TO/FROM

During the year the following operating transfers were made:

Governmental Funds:		
General Fund to Economic Development Authority Fund	$	10,000
General Fund to Fire Department Fund		30,000
General Fund to Library Fund		32,000
Total Governmental Funds	$	72,000
Proprietary Funds:		
Sewer Fund to General Fund	$	106,000.00
Total Proprietary Funds		106,000.00

9. FUND BALANCE - CLASSIFICATION

At December 31, 2023, a summary of the governmental fund balance classifications are as follows:

	General Fund	Fire Fund	Ambulance Fund
Nonspendable:			
Prepaid items	$ 14,607	$ 2,375	$ 1,087
Advances to Other Funds	204,026	-	-
	$ 218,633	$ 2,375	$ 1,087
Restricted for:			
Debt Service	$ -	$ 8,838	$ -
Committed for:			
Fire Hall Payment	$ -	$ 11,050	$ -
Assigned to:			
Equipment Replacement/ Unexpected Expenses	$ 10,260	$ 143,990	$ 7,922
	$ 10,260	$ 143,990	$ 7,922
Unassigned	178,762	$ -	$ -
Total Fund Balance	$ 407,655	$ 166,253	$ 9,009

	Economic Development Fund	Small Cities Development Fund	Library Fund
Nonspendable:			
Prepaid items	$ 763	$ -	$ 743
Advances to Other Funds	-	39,089	-
	763	39,089	743
Assigned to:			
Capital Improvements	$ -	$ 151,846	$ -
Economic Development	54,167	-	-
Library Services	-	-	22,051
	$ 54,167	$ 151,846	$ 22,051
Unassigned	$ -	$ -	-
Total Fund Balance	$ 54,930	$ 190,935	$ 22,794

10. DESIGNATED NET POSITION

The Council designated a portion of Water Fund unrestricted net position for improvements and repairs. As of December 31, 2023, the following amounts have been designated in anticipation of future use:

System Improvements	$ 204,721
Water Tower Repairs	20,812
	$ 225,533

11. COMMITMENTS

The City has entered into an agreement to reimburse Lincoln County the sum of $100,000, over a period of five years, as a partial reimbursement of the County's contribution to the broadband infrastructure project being developed to serve the City and the surrounding area. The County reimbursement shall be paid by the City in five equal annual installments of $20,000 commencing on the first anniversary of the In-Service date with subsequent payments due each succeeding anniversay date. The project is currently in the construction phase with completion anticipated to be in the fall of 2024.

12. RISK MANAGEMENT
Significant losses are covered by commercial insurance for property coverage, worker's compensation, general liability and auto liability. There have been no significant reductions in insurance coverage from prior years.

13. SUBSEQUENT EVENTS
The City is engaged in a review of 2021 finances of the liquor fund to determine the City's ability to recover a portion of its net loss for the year. The recovery of funds is not measurable at this time.

The City has evaluated subsequent events through October 30, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF IVANHOE
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT FUND (GERF)
AND PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (a+b)	Employer's Covered-Employee Payroll** (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF							
June 30, 2023	0.0035%	$195,716	$5,250	$200,966	$274,501	73.21%	83.10%
June 30, 2022	0.0032%	$253,441	$7,444	$260,885	$230,314	113.27%	76.70%
June 30, 2021	0.0028%	$119,573	$3,670	$123,243	$209,947	58.70%	87.00%
June 30, 2020	0.0031%	$185,859	$5,560	$191,419	$216,206	88.54%	79.10%
June 30, 2019	0.0033%	$182,450	$5,666	$188,116	$222,427	84.57%	80.20%
June 30, 2018	0.0036%	$199,713	$6,695	$206,408	$241,960	85.31%	79.50%
June 30, 2017	0.0035%	$223,438		$223,438	$218,827	102.11%	75.90%
June 30, 2016	0.0033%	$267,944		$267,944	$204,413	131.08%	68.91%
June 30, 2015	0.0035%	$181,388		$181,388	$201,067	90.21%	78.19%
PEPFF							
June 30, 2023	0.0042%	$72,529	$2,942	$75,471	$55,531	135.91%	86.50%
June 30, 2022	0.0043%	$187,119	$8,197	$195,316	$52,249	373.82%	70.50%
June 30, 2021	0.0043%	$33,191	$1,461	$34,652	$50,232	68.98%	93.70%
June 30, 2020	0.0043%	$56,679	$1,335	$58,014	$48,770	118.95%	87.20%
June 30, 2019	0.0045%	$47,907		$47,907	$48,030	99.74%	89.30%
June 30, 2018	0.0044%	$46,899		$46,899	$45,889	102.20%	88.80%
June 30, 2017	0.0050%	$67,506		$67,506	$44,599	151.36%	85.40%
June 30, 2016	0.0040%	$160,527		$160,527	$42,809	374.98%	63.88%
June 30, 2015	0.0050%	$56,812		$56,812	$40,247	141.16%	86.61%

*This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.
**For purposes of this schedule, covered payroll is defined as "pensionable wages".

CITY OF IVANHOE
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS*)
SCHEDULE OF CITY'S CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT FUND (GERF)
AND PUBLIC EMPLOYEES POLICE AND FIRE FUND (PEPFF)
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll** (d)	Contributions as a Percentage of Covered Payroll (b/d)
GERF					
December 31, 2023	$20,788	$20,788	$0	$277,095	7.5%
December 31, 2022	$18,890	$18,890	$0	$251,867	7.5%
December 31, 2021	$15,657	$15,657	$0	$208,760	7.5%
December 31, 2020	$15,835	$15,835	$0	$211,133	7.5%
December 31, 2019	$16,596	$16,596	$0	$221,278	7.5%
December 31, 2018	$17,162	$17,162	$0	$242,202	7.5%
December 31, 2017	$17,162	$17,162	$0	$228,827	7.5%
December 31, 2016	$15,225	$15,225	$0	$211,150	7.2%
December 31, 2015	$15,267	$15,267	$0	$211,264	7.2%
PEPFF					
December 31, 2023	$5,092	$5,092	$0	$28,768	17.7%
December 31, 2022	$9,474	$9,474	$0	$53,525	17.7%
December 31, 2021	$9,022	$9,022	$0	$50,972	17.7%
December 31, 2020	$8,760	$8,760	$0	$49,492	17.7%
December 31, 2019	$8,144	$8,144	$0	$48,047	16.95%
December 31, 2018	$7,835	$7,835	$0	$48,415	16.2%
December 31, 2017	$7,332	$7,332	$0	$45,263	16.2%
December 31, 2016	$6,674	$6,674	$0	$43,935	15.2%
December 31, 2015	$6,839	$6,839	$0	$43,828	15.6%

*This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.
**For purposes of this schedule, covered payroll is defined as "pensionable wages".

Note 1: Excess of Expenditures over Appropriations

For the year ended December 31, 2023, expenditures exceeded appropriations in the General Fund.

Fund	Budget	Actual	Expenditures over Appropriations
General	$ 511,429	$ 632,478	$ 121,049

Note 2: Changes in Net Pension Liabilities and Related Ratios

General Employees Fund:

2023 Changes
Changes in Actuarial Assumptions:
- The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions:
- An additional one-time direct state aid contribution of $170.1 million 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% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes
Changes in Actuarial Assumptions:
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:
- There were no changes in plan provisions since the previous valuation.

2021 Changes
Changes in Actuarial Assumptions:
- The investment return and single discount rates were changed from 7.5% to 6.5%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:
- There were no changes in plan provisions since the previous valuation.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

General Employees Fund Cont:

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- 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.

Changes in Plan Provisions:

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

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from $31 million to $21 million per year. The State's special funding contribution was changed prospectively, requiring $16 million due per year through 2031.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

General Employees Fund Cont:

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4 % to 3 %, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA load are now 0.0% for active member liability, 15% for vested deferred member liability, and 3% for non-vested deferred member liability.
- The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018 and $6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21,000,000 to $31,000,000 in calendar years 2019 to 2031. The State's contribution changed from $16,000,000 to $6,000,000 in calendar years 2019 to 2031.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

General Employees Fund Cont:

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1% per year through 2035 and 2.5% per year thereafter to 1% per year for all years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by $1.1 billion and increase the fiduciary plan net position by $892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of $6 million, which meets the special funding situation definition, was due September 2015.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

Police and Fire Plan

2023 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions:

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

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

Police and Fire Plan Cont.

2021 Changes Cont.
Changes in Actuarial Assumptions Cont:
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:
- There were no changes in plan provisions since the previous valuation.

2020 Changes
Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:
- There have been no changes since the prior valuation.

2019 Changes
Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:
- There have been no changes since the prior valuation.

2018 Changes
Changes in Actuarial Assumptions:
- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions:
- Annual increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing $9 million state contribution.
- New annual state aid will equal $4.5 million in fiscal years 2019 and 2020, and $9 million thereafter until the plan reaches 100 % funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

Police and Fire Plan Cont.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 33% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016 Changes:

Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1% per year through 2037 and 2.5% per year thereafter to 1% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%.
- The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

Note 2: Changes in Net Pension Liabilities and Related Ratios Cont.

Police and Fire Plan Cont.

2015 Changes:

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1% per year through 2030 and 2.5% per year thereafter to 1% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions:

- The annual increase to be paid after the attainment of the 90% funding threshold was changed from inflation up to 2.5%, to a fixed rate of 2.5%.

SUPPLEMENTARY INFORMATION

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
GENERAL FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash in Checking	$ 209,073	$ 151,609
Due from Other Governments	7,845	-
Delinquent Taxes Receivable	16,090	12,936
Less: Allowance for Delinquent Taxes	(16,090)	(6,467)
Delinquent Special Assessments Receivable	356	356
Due from Other Funds	379,974	306,110
Prepaid Expenses	14,607	11,977
Advances to Other Funds	204,026	175,629
TOTAL ASSETS	$ 815,881	$ 652,150
LIABILITIES		
Accounts Payable	$ 18,372	$ 20,597
Salaries and Related Taxes Payable	5,322	10,429
Unearned Revenue	58,029	58,028
Due to Other Funds	287,058	150,609
Advances from Other Funds	39,089	39,089
Total Liabilities	$ 407,870	$ 278,752
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows from Delinquent Special Assessements	$ 356	$ 356
FUND BALANCE		
Nonspendable	$ 218,633	$ 187,606
Assigned	10,260	10,260
Unassigned	178,762	175,176
Total Fund Balance	$ 407,655	$ 373,042
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 815,881	$ 652,150

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023 BUDGET	2023 ACTUAL	VARIANCE WITH BUDGET	2022 ACTUAL
REVENUES				
GENERAL PROPERTY TAXES				
Property Taxes	$ 327,161	$ 302,761	$ (24,400)	$ 320,912
Total General Property Taxes	$ 327,161	$ 302,761	$ (24,400)	$ 320,912
LICENSES AND PERMITS				
Business and Non Business	$ 2,000	$ 3,349	$ 1,349	$ 2,861
Total Licenses and Permits	$ 2,000	$ 3,349	$ 1,349	$ 2,861
INTERGOVERNMENTAL REVENUES				
Local Government Aid	$ 230,190	$ 230,190	$ -	$ 227,708
Market Value Credit Aid	-	341	341	288
Police Aid	8,759	9,473	714	9,022
Other State Aids	725	24,024	23,299	-
Total Intergovernmental Revenues	$ 239,674	$ 264,028	$ 24,354	$ 237,018
CHARGES FOR SERVICES				
Community Center Rent	$ 400	$ 535	$ 135	$ 375
Rent Income	15,645	5,421	(10,224)	3,863
Swimming Pool Receipts	11,000	16,055	5,055	16,795
Total Charges for Services	$ 27,045	$ 22,011	$ (5,034)	$ 21,033
FINES AND FORFEITS				
Administrative Fees	600	50	(550)	1,323
Total Fines and Forfeits	$ 600	$ 50	$ (550)	$ 1,323
MISCELLANEOUS REVENUES				
Interest	$ 75	$ 6	$ (69)	$ 6
Contributions and Donations	-	20,385	20,385	4,054
Refunds and Reimbursements	5,000	12,369	7,369	6,779
Miscellaneous	5,000	8,132	3,132	662
Total Miscellaneous Revenues	$ 10,075	$ 40,892	$ 30,817	$ 11,501
TOTAL REVENUES	$ 606,555	$ 633,091	$ 26,536	$ 594,648
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Council Wages	$ 9,397	$ 8,045	$ 1,352	$ 7,770
Council FICA and Medicare	-	581	(581)	594
Council Miscellaneous	100	2,932	(2,832)	-
Total Legislative	$ 9,497	$ 11,558	$ (2,061)	$ 8,364
Election and Voter Registration				
Election Supplies and Expense	$ -	$ 652	$ (652)	3,013
Total Election and Voter Registration	$ -	$ 652	$ (652)	$ 3,013
Financial Administration				
Financial Administration Wages	$ 64,413	$ 63,931	$ 482	$ 58,826
Financial Administration FICA and Medicare	-	4,958	(4,958)	4,355
PERA Expense	-	4,904	(4,904)	5,533
Employee Benefits	9,000	14,372	(5,372)	20,125
Office Expense	6,350	18,079	(11,729)	25,129
Communications	4,600	8,775	(4,175)	3,850
Licenses and Dues	800	827	(27)	3,615
Professional Services	9,000	12,309	(3,309)	18,762
Miscellaneous	1,600	-	1,600	-
Total Financial Administration	$ 95,763	$ 128,155	$ (32,392)	$ 140,195
Total General Government	$ 105,260	$ 140,365	$ (35,105)	$ 151,572

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023 BUDGET	2023 ACTUAL	VARIANCE WITH BUDGET	2022 ACTUAL
EXPENDITURES Cont.				
PUBLIC SAFETY				
Police				
Salaries	$ 50,000	$ 37,619	$ 12,381	$ 56,282
FICA and Medicare	725	577	148	776
PERA Expense	7,522	5,092	2,430	9,473
Employee Benefits	9,000	10,254	(1,254)	5,500
Supplies	500	-	500	898
Gas and Oil	3,000	1,517	1,483	2,935
Communications	1,500	1,199	301	1,149
Insurance	4,000	2,494	1,506	5,426
Professional Services	4,000	4,346	(346)	3,371
Training	200	35	165	-
Repairs & Maintenance	500	675	(175)	1,530
Miscellaneous	1,150	240	910	240
Total Police	$ 82,097	$ 64,048	$ 18,049	$ 87,580
Total Public Safety	$ 82,097	$ 64,048	$ 18,049	$ 87,580
PUBLIC WORKS				
Highways and Streets				
Public Works Wages	$ 66,616	$ 74,634	$ (8,018)	$ 68,536
FICA and Medicare	5,100	5,610	(510)	5,108
PERA Expense	5,100	5,104	(4)	5,005
Employee Benefits	4,800	27,647	(22,847)	6,995
Supplies		34,870	(34,870)	17,191
Insurance	5,500	4,702	798	8,367
Repairs and Maintenance	87,000	25,695	61,305	35,830
Miscellaneous	2,175	10,240	(8,065)	7,133
Snow Removal	2,000	3,521	(1,521)	2,792
Street Cleaning	2,500	3,509	(1,009)	74
Street Lighting	15,000	12,028	2,972	13,558
Utilities	5,500	4,629	871	5,813
Street Equipment and Improvements	20,000	-	20,000	23,415
Total Highways and Streets	$ 221,291	$ 212,189	$ 9,102	$ 199,817
Total Public Works	$ 221,291	$ 212,189	$ 9,102	$ 199,817
CULTURE AND RECREATION				
Community Center				
Supplies and Maintenance	$ 7,450	$ 3,648	$ 3,802	$ 761
Recreation and Parks:				
Swimming Pool				
Pool Wages	19,450	19,403	47	20,143
FICA and Medicare	1,381	1,484	(103)	1,541
Supplies and Maintenance	14,500	10,910	3,590	9,102
Utilities	5,000	5,442	(442)	6,267
Insurance	3,500	4,666	(1,166)	3,821
Miscellaneous	2,500	1,965	535	345
Total Swimming Pool	$ 46,331	$ 43,870	$ 2,461	$ 41,219

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023 BUDGET	2023 ACTUAL	VARIANCE WITH BUDGET	2022 ACTUAL
EXPENDITURES Cont.				
CULTURE AND RECREATION (Cont.)				
Park				
Park Wages	$ 5,000	$ -	$ 5,000	$ 4,560
FICA and Medicare	500	-	500	349
Utilities	4,500	3,669	831	3,648
Tree Care and Removal	6,000	2,224	3,776	3,766
Operations and Maintenance	7,000	11,663	(4,663)	4,902
Insurance	3,500	3,684	(184)	4,358
Park Improvements	10,000	-	10,000	-
Miscellaneous	500	679	(179)	65
Total Parks	$ 37,000	$ 21,919	$ 15,081	$ 21,648
Total Culture and Recreation	$ 90,781	$ 69,437	$ 21,344	$ 63,628
MISCELLANEOUS				
Unallocated General Insurance	$ 500	$ 8,488	$ (7,988)	$ 7,000
Unallocated General Miscellaneous Expense	11,500	137,951	(126,451)	82,130
Total Miscellaneous	$ 12,000	$ 146,439	$ (134,439)	$ 89,130
TOTAL EXPENDITURES	$ 511,429	$ 632,478	$ (121,049)	$ 591,727
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 95,126	$ 613	$ (94,513)	$ 2,921
OTHER FINANCING SOURCES (USES):				
Proceeds from Sale of Property	$ -	$ -	$ -	$ 8,000
Transfers From Other Funds	-	106,000	106,000	-
Transfer to Other Funds	(72,000)	(72,000)	-	(72,000)
Long-Term Debt Paid	-	-	-	(3,806)
Total Other Financing Sources (Uses)	$ (72,000)	$ 34,000	$ 106,000	$ (67,806)
NET CHANGE IN FUND BALANCE	$ 23,126	$ 34,613	$ 11,487	$ (64,885)
FUND BALANCE - January 1	373,042	373,042		437,927
FUND BALANCE - December 31	$ 396,168	$ 407,655	$ 11,487	$ 373,042

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
FIRE FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash in Checking	$ 212,543	$ 136,782
Due from Other Funds	322	62,942
Prepaid Expenses	2,375	1,380
TOTAL ASSETS	$ 215,240	$ 201,104
LIABILITIES		
Accounts Payable	$ 1,787	$ 18,593
Due to Other Funds	47,200	67,847
Total Liabilities	$ 48,987	$ 86,440
FUND BALANCE		
Nonspendable	$ 2,375	$ 1,380
Restricted	8,838	8,838
Committed	11,050	12,548
Assigned	143,990	91,898
Total Fund Balance	$ 166,253	$ 114,664
TOTAL LIABILITIES AND FUND BALANCE	$ 215,240	$ 201,104

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIRE FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023 BUDGET	2023 ACTUAL	VARIANCE WITH BUDGET	2022 ACTUAL
REVENUES				
INTERGOVERNMENTAL REVENUES				
State Fire Relief Aid	$ 16,588	$ 18,074	$ 1,486	$ 16,821
Supplemental Benefit Reimbursement	-	1,000	1,000	-
Other State Aids (DNR & Training)	5,000	7,101	2,101	7,640
Total Intergovernmental Revenues	$ 21,588	$ 26,175	$ 4,587	$ 24,461
CHARGES FOR SERVICES				
Township Contracts	$ 31,677	$ 31,878	$ 201	$ 35,194
Fire Calls	5,000	39,612	34,612	11,142
Total Charges for Services	$ 36,677	$ 71,490	$ 34,813	$ 46,336
MISCELLANEOUS REVENUES				
Donations	$ 5,000	$ 29,400	$ 24,400	$ 58,100
Other	-	5,500	5,500	-
Total Miscellaneous Revenues	$ 5,000	$ 34,900	$ 29,900	$ 58,100
TOTAL REVENUES	$ 63,265	$ 132,565	$ 69,300	$ 128,897
EXPENDITURES				
PUBLIC SAFETY				
Wages and Salaries	$ 8,825	$ 6,745	$ 2,080	$ 7,882
FICA and Medicare	675	516	159	603
PERA	-	21	(21)	13
Local Remittance to Fire Relief Association	20,067	20,474	(407)	16,821
Insurance	4,400	5,108	(708)	3,341
Office Supplies	-	803	(803)	220
Operating Supplies (Includes Fuel)	8,500	4,756	3,744	3,091
Utilities	5,000	4,661	339	4,776
Professional Services - Other	-	1,779	(1,779)	560
Training	4,000	6,541	(2,541)	9,504
Equipment Repairs and Maintenance Supplies	2,000	10,609	(8,609)	15,795
Small Tools and Minor Equipment	-	25,286	(25,286)	6,596
Dues and Subscriptions	-	230	(230)	574
Miscellaneous	750	959	(209)	65
Equipment	10,000	6,000	4,000	35,611
TOTAL EXPENDITURES	$ 64,217	$ 94,488	$ (30,271)	$ 105,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (952)	$ 38,077	$ 39,029	$ 23,445
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Equipment	$ -	$ 3,700	$ 3,700	$ -
Loan Principal Paid	(20,802)	(17,914)	2,888	(17,628)
Loan Interest Paid	(3,436)	(2,274)	1,162	(2,860)
Transfers from General Fund	30,000	30,000	-	30,000
Total Other Financing Sources (Uses)	$ 5,762	$ 13,512	$ 7,750	$ 9,512
NET CHANGE IN FUND BALANCE	$ 4,810	$ 51,589	$ 46,779	$ 32,957
FUND BALANCE - January 1	114,664	114,664	-	81,707
FUND BALANCE - December 31	$ 119,474	$ 166,253	$ 46,779	$ 114,664

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
AMBULANCE FUND
DECEMBER 31, 2023 AND 2022

		2023		2022
ASSETS				
Cash and Investments	$	105,519	$	71,964
Accounts Receivable		10,891		4,282
Due from Other Funds		-		5,931
Prepaid Expenditures		1,087		1,002
TOTAL ASSETS	$	117,497	$	83,179
LIABILITIES				
Accounts Payable	$	841	$	45
Salaries and Related Taxes Payable		790		629
Advance from Other Funds		106,857		87,479
Total Liabilities	$	108,488	$	88,153
FUND BALANCE				
Nonspendable	$	1,087	$	1,002
Assigned		7,922		(5,976)
Total Fund Balances		9,009		(4,974)
TOTAL LIABILITIES AND FUND BALANCE	$	117,497	$	83,179

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
AMBULANCE FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
INTERGOVERNMENTAL		
Federal - Medical Assistance Program	$ 9,670	$ 593
State - Other State Aid	-	2,200
Total Intergovernmental Revenue	$ 9,670	$ 2,793
CHARGES FOR SERVICES		
Ambulance Calls	$ 31,402	$ 24,607
Total Charges for Services	31,402	24,607
MISCELLANEOUS REVENUES		
Donations	$ 7,293	$ 11,616
Miscellaneous Income	4,769	41
Interest Income	1	-
Total Miscellaneous Revenue	$ 12,063	$ 11,657
TOTAL REVENUES	$ 53,135	$ 39,057
EXPENDITURES		
HEALTH AND WELFARE		
Wages	$ 21,702	$ 24,227
FICA and Medicare	1,648	2,010
Insurance	2,901	2,507
Professional Services	2,014	1,697
Telephone	915	780
Operating Supplies (Includes Fuel)	4,423	9,871
Repairs and Maintenance	433	3,597
Training and Education	249	8,143
Building Rental	3,600	3,600
Miscellaneous Expense	1,267	2,282
Total Housing and Urban Development	$ 39,152	$ 58,714
TOTAL EXPENDITURES	$ 39,152	$ 58,714
NET CHANGE IN FUND BALANCE	$ 13,983	$ (19,657)
FUND BALANCE - January 1	(4,974)	14,683
FUND BALANCE - December 31	$ 9,009	$ (4,974)

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
ECONOMIC DEVELOPMENT FUND
DECEMBER 31, 2023 AND 2022

		2023		2022
ASSETS				
Cash and Investments	$	51,263	$	25,212
Loans Receivable		8,845		48,095
Due from Other Funds		6,556		6,256
Prepaid Expenditures		763		763
TOTAL ASSETS	$	67,427	$	80,326
LIABILITIES				
Accounts Payable	$	51	$	9,512
Unearned Revenue		700		36,500
Due to Other Funds		11,746		10,440
Total Liabilities	$	12,497	$	56,452
FUND BALANCE				
Nonspendable	$	763	$	763
Assigned		54,167		23,110
Total Fund Balances		54,930		23,873
TOTAL LIABILITIES AND FUND BALANCE	$	67,427	$	80,325

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
MISCELLANEOUS REVENUES		
Rent	$ 18,640	$ 15,765
Loan Repayments	250	2,789
Interest Income	51	2
Miscellaneous Income	1,454	-
Total Miscellaneous Revenue	$ 20,395	$ 18,556
TOTAL REVENUES	$ 20,395	$ 18,556
EXPENDITURES		
ECONOMIC DEVELOPMENT		
Insurance	$ 1,845	$ 1,894
City Promotion	-	3,000
Fees and Taxes	1,528	1,679
Professional Services	555	1,245
Utilities	1,696	2,308
Repairs and Maintenance	12,393	55,266
Advertising	3,100	-
Miscellaneous Expense	30,676	13,440
Total Housing and Urban Development	$ 51,793	$ 78,832
TOTAL EXPENDITURES	$ 51,793	$ 78,832
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (31,398)	$ (60,276)
OTHER FINANCING SOURCES (USES)		
Insurance Claims	$ 52,455	$ -
Transfers from Other Funds	10,000	10,000
Total Other Financing Sources (Uses)	62,455	10,000
NET CHANGE IN FUND BALANCE	$ 31,057	$ (50,276)
FUND BALANCE - January 1	23,873	74,149
FUND BALANCE - December 31	$ 54,930	$ 23,873

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
SMALL CITIES DEVELOPMENT PROGRAM FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Investments	$ 77,994	$ 44,203
Loans Receivable	165,568	193,763
Due from Other Funds	96,408	86,529
Advance to Other Funds	39,089	39,089
TOTAL ASSETS	$ 379,059	$ 363,584
LIABILITIES		
Deferred Revenue - Loans	$ 165,568	$ 193,763
Due to Other Funds	22,556	22,256
Total Liabilities	$ 188,124	$ 216,019
FUND BALANCE		
Nonspendable	$ 39,089	$ 39,089
Assigned	151,846	108,476
Total Fund Balances	190,935	147,565
TOTAL LIABILITIES AND FUND BALANCE	$ 379,059	$ 363,584

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SMALL CITIES DEVELOPMENT PROGRAM FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
INTERGOVERNMENTAL REVENUES		
State Aid	$ -	$ 224,040
Total Intergovernmental Revenue	$ -	$ 224,040
MISCELLANEOUS REVENUES		
Loan Principal Received	$ 64,194	$ 32,321
Miscellaneous Income	43	-
Interest Income	2,857	3,236
Total Miscellaneous Revenue	$ 67,094	$ 35,557
TOTAL REVENUES	$ 67,094	$ 259,597
EXPENDITURES		
ECONOMIC DEVELOPMENT		
Rehabilitation		
Rehabilitation - SCDP Grant Funded	$ 20,000	$ 94,620
Rehabilitation - SCDP Loan Funded	-	78,840
Loans Distributed	-	65,346
Administrative Fees	3,724	30,580
Miscellaneous Expense	-	80
Total Housing and Urban Development	$ 23,724	$ 269,466
TOTAL EXPENDITURES	$ 23,724	$ 269,466
NET CHANGE IN FUND BALANCE	$ 43,370	$ (9,869)
FUND BALANCE - January 1	147,565	157,434
FUND BALANCE - December 31	$ 190,935	$ 147,565

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
LIBRARY FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Investments	$ 104,468	$ 66,354
Prepaid Expenditures	743	453
TOTAL ASSETS	$ 105,211	$ 66,807
LIABILITIES		
Accounts Payable	$ 72	$ 397
Salaries and Related Taxes Payable	1,178	1,368
Due to Other Fund	81,167	43,196
Total Liabilities	$ 82,417	$ 44,961
FUND BALANCE		
Nonspendable	$ 743	$ 453
Assigned	22,051	21,393
Total Fund Balances	22,794	21,846
TOTAL LIABILITIES AND FUND BALANCE	$ 105,211	$ 66,807

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
LIBRARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
INTERGOVERNMENTAL		
County Support	$ 16,478	$ 15,400
Total Intergovernmental Revenue	$ 16,478	$ 15,400
MISCELLANEOUS		
Donations	$ 2,284	$ 2,251
Miscellaneous	70	-
Total Miscellaneous Revenue	$ 2,354	$ 2,251
TOTAL REVENUES	$ 18,832	$ 17,651
EXPENDITURES		
CULTURE AND RECREATION		
Salaries and Related Payroll Expenditures	$ 36,134	$ 35,099
Audio/Video	110	290
Insurance	1,358	1,102
Automated Operations	5,570	5,821
Utilities	632	751
Library Books	2,988	3,204
Library Programs	729	1,491
Library Subscriptions	830	870
Supplies	1,506	1,179
Miscellaneous Expense	27	-
Total Culture and Recreation	$ 49,884	$ 49,807
TOTAL EXPENDITURES	$ 49,884	$ 49,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (31,052)	$ (32,156)
OTHER FINANCING SOURCES (USES)		
Transfers from Other Funds	$ 32,000	$ 32,000
Total Other Financing Sources (Uses)	32,000	32,000
NET CHANGE IN FUND BALANCE	$ 948	$ (156)
FUND BALANCE - January 1	21,846	22,002
FUND BALANCE - December 31	$ 22,794	$ 21,846

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
LIQUOR FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 92,175	$ 109,645
Accounts Receivable	4,374	3,785
Inventories	30,721	32,963
Prepaid Expenses	4,049	3,815
Total Current Assets	$ 131,319	$ 150,208
CAPITAL ASSETS		
Land	$ 817	$ 817
Buildings	256,501	231,864
Furniture and Equipment	129,881	98,189
Total Capital Assets	$ 387,199	$ 330,870
Accumulated Depreciation	(317,355)	(308,220)
Net Capital Assets	$ 69,844	$ 22,650
DEFERRED OUTLFOWS OF RESOURCES		
Related to Pensions	$ 42,485	$ 52,893
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 243,648	$ 225,751
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 2,157	$ 8,113
Salaries and Related Taxes Payable	3,620	3,943
Sales Tax Payable	3,793	4,466
Due to Other Funds	292,985	151,466
Accrued Vacation and Sick Pay	-	240
Total Liabilities	$ 302,555	$ 168,228
LONG-TERM DEBT		
Net Pension Liability	$ 58,715	$ 76,032
Total Long-Term Debt	$ 58,715	$ 76,032
Total Liabilities	$ 361,270	$ 244,260
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	$ 39,807	$ 29,965
NET POSITION		
Net Investment in Capital Assets	$ 69,844	$ 22,650
Unrestricted	(227,273)	(71,124)
Total Net Position	$ (157,429)	$ (48,474)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 243,648	$ 225,751

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
LIQUOR FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
SALES		
Liquor - On	$ 112,853	$ 123,359
Liquor - Off	76,335	77,542
Beer - On	72,985	94,260
Beer - Off	114,330	104,543
Vending and Miscellaneous Income	119,285	106,199
Total Sales	$ 495,788	$ 505,903
COST OF SALES	$ 322,245	$ 362,426
GROSS PROFIT	$ 173,543	$ 143,477
OPERATING EXPENSES		
Salaries and Related Payroll Expense	$ 132,743	$ 98,807
PERA	8,725	7,469
Depreciation Expense	9,135	3,689
Advertising	2,851	1,505
Credit Card Fees	14,981	15,137
Insurance	13,407	13,466
Bonds, Licenses, and Tax	500	482
Utilities	19,691	14,827
Professional Services	42,782	1,605
Supplies	6,549	13,480
Repairs and Maintenance	29,468	10,198
Miscellaneous Expense	2,013	27,408
Total Operating Expenses	$ 282,845	$ 208,073
OPERATING INCOME (LOSS)	$ (109,302)	$ (64,596)
OTHER INCOME		
PERA Grant - MN	$ 7	$ 334
Interest Income	340	3
Total Other Income	$ 347	$ 337
INCREASE (DECREASE) IN NET POSITION	$ (108,955)	$ (64,259)
NET POSITION - January 1	(48,474)	15,785
NET POSITION - December 31	$ (157,429)	$ (48,474)

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
LIQUOR FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 495,199	$ 504,898
Cash Paid to Suppliers	(459,108)	(458,112)
Cash Paid for Payroll	(139,091)	(103,265)
Net Cash Flow from (Used in) Operating Activities	$ (103,000)	$ (56,479)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from Transfers from Other Funds	$ 141,519	$ 107,293
Net Cash Flow from (Used in) Noncapital Financing Activities	$ 141,519	$ 107,293
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Purchase of Fixed Assets	$ (56,329)	$ (7,262)
Net Cash Flow from (Used in) Capital and Related Financing Activities	$ (56,329)	$ (7,262)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	$ 340	$ 3
Net Cash Flow from (Used in) Investing Activities	$ 340	$ 3
NET INCREASE (DECREASE) IN CASH	$ (17,470)	$ 43,555
BEGINNING CASH - January 1	109,645	66,090
ENDING CASH - December 31	$ 92,175	$ 109,645
ANALYSIS OF CASH - December 31		
Cash in Checking	$ 92,175	$ 109,645
Total Cash and Cash Equivalents	$ 92,175	$ 109,645
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (109,302)	$ (64,596)
Interest Income on Cash Equivalents		
Other Income	7	334
Noncash Items Included in Net Income:		
Depreciation	9,135	3,689
(Increase) Decrease in Accounts Receivable	(589)	(1,005)
(Increase) Decrease in Inventories	2,242	196
(Increase) Decrease in Prepaid Expenses	(234)	533
(Increase) Decrease in Deferred Outflows of Resources from PERA	10,408	(24,003)
Increase (Decrease) in Accounts Payable	(5,956)	1,456
Increase (Decrease) in Payroll Withholdings and Accruals	(323)	662
Increase (Decrease) in Accrued Vacation and Sick Pay	(240)	-
Increase (Decrease) in Sales Tax Payable	(673)	237
Increase (Decrease) in Net Pension Liability	(17,317)	40,160
Increase (Decrease) in Deferred Inflows of Resources	9,842	(14,142)
Net Cash Flow Provided by (Used in) Operating Activities	$ (103,000)	$ (56,479)

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
WATER FUND
DECEMBER 31, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	$ -	$ 123,403
Restricted Cash	30,424	26,621
Accounts Receivable	17,387	13,262
Due from Other Funds	273,380	57,030
Prepaid Expenses	905	427
Total Current Assets	$ 322,096	$ 220,743
CAPITAL ASSETS		
Land	$ 7,250	$ 7,250
Land Improvements	1,717,787	1,717,787
Equipment	23,158	23,158
Total Capital Assets	$ 1,748,195	$ 1,748,195
Accumulated Depreciation	(840,083)	(802,128)
Net Capital Assets	$ 908,112	$ 946,067
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	$ 14,162	$ 17,631
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,244,370	$ 1,184,441
LIABILITIES		
CURRENT LIABILITIES		
Checks Written in Excess of Bank Balance	$ 148,321	$ -
Accounts Payable	4,028	3,197
Salaries and Related Taxes Payable	1,048	1,263
Sales Tax Payable	782	-
Due to Other Funds	313	45,281
Accrued Interest Payable	13,337	13,633
Accrued Vacation and Sick Pay	1,182	876
Current Amount of Long-Term Debt	56,265	28,075
Total Liabilities	$ 225,276	$ 92,325
LONG-TERM DEBT		
Notes/Bonds Payable	$ 543,596	$ 571,671
Less: Current Amount Due	(56,265)	(28,075)
Net Pension Liability	19,572	25,344
Total Long-Term Debt	$ 506,903	$ 568,940
Total Liabilities	$ 732,179	$ 661,265
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	$ 13,269	$ 9,988
NET POSITION		
Net Investment in Capital Assets	$ 364,516	$ 374,396
Restricted for:		
Debt Service	30,424	26,621
Unrestricted	103,982	112,171
Total Net Position	$ 498,922	$ 513,188
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 1,244,370	$ 1,184,441

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Water Charges	$ 131,009	$ 137,576
Capital Improvement Fee	15,801	15,649
Total Operating Revenues	$ 146,810	$ 153,225
OPERATING EXPENSES		
Water Purchased	$ 46,053	$ 42,345
Distribution Repairs and Maintenance	5,031	10,472
Salaries and Related Payroll Expense	34,178	29,241
PERA	2,700	2,443
Depreciation	37,955	37,955
Travel and Education	1,811	2,030
Insurance	1,811	2,450
Utilities	3,070	2,439
Miscellaneous Expense	13,322	7,457
Other Billing Expense	-	510
Total Operating Expenses	$ 145,931	$ 137,342
OPERATING INCOME (LOSS)	$ 879	$ 15,883
OTHER INCOME		
PERA Grant - MN	$ 2	$ 111
Interest Income	46	9
Total Other Income	$ 48	$ 120
OTHER EXPENSE		
Interest Expense	$ 15,193	$ 16,604
Total Other Expense	$ 15,193	$ 16,604
INCREASE (DECREASE) IN NET POSITION	$ (14,266)	$ (601)
NET POSITION - January 1	513,188	513,789
NET POSITION - December 31	$ 498,922	$ 513,188

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
WATER FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 142,685	$ 152,795
Cash Paid to Suppliers	(69,963)	(66,530)
Cash Paid for Payroll	(35,807)	(30,551)
Net Cash Flow from (Used in) Operating Activities	$ 36,915	$ 55,714
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Paid for Transfers to Other Funds	$ (261,318)	$ (6,217)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Long-Term Debt Retirements	$ (28,075)	$ (51,528)
Cash Paid for Interest on Debt	(15,489)	(17,120)
Net Cash Flow from (Used in) Capital and Related Financing Activities	$ (43,564)	$ (68,648)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	$ 46	$ 9
Net Cash Flow from (Used in) Investing Activities	$ 46	$ 9
NET INCREASE (DECREASE) IN CASH	$ (267,921)	$ (19,142)
BEGINNING CASH - January 1	150,024	169,166
ENDING CASH - December 31	$ (117,897)	$ 150,024
ANALYSIS OF CASH - December 31		
Cash in Checking	$ (117,897)	$ 150,024
Total Cash and Cash Equivalents	$ (117,897)	$ 150,024
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 879	$ 15,883
Interest Income on Cash Equivalents		
Other Income	2	111
Noncash Items Included in Net Income:		
Depreciation	37,955	37,955
(Increase) Decrease in Accounts Receivable	(4,125)	(430)
(Increase) Decrease in Prepaid Expenses	(478)	1,418
(Increase) Decrease in Deferred Outflows of Resources from PERA	3,469	(8,001)
Increase (Decrease) in Accounts Payable	831	(245)
Increase (Decrease) in Payroll Withholdings and Accruals	(215)	417
Increase (Decrease) in Accrued Vacation and Sick Pay	306	(67)
Increase (Decrease) in Sales Tax Payable	782	-
Increase (Decrease) in Net Pension Liability	(5,772)	13,387
Increase (Decrease) in Deferred Inflows of Resources	3,281	(4,714)
Net Cash Flow Provided by (Used in) Operating Activities	$ 36,915	$ 55,714

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
SEWER FUND
DECEMBER 31, 2023 AND 2022

		2023		2022
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	45,914	$	210,130
Restricted Cash		128,656		112,574
Accounts Receivable		15,579		10,708
Prepaid Expenses		1,379		1,102
Total Current Assets	$	191,528	$	334,514
CAPITAL ASSETS				
Land	$	14,500	$	14,500
Land Improvements		2,280,592		2,280,592
Equipment		32,883		32,883
Total Capital Assets	$	2,327,975	$	2,327,975
Accumulated Depreciation		(729,969)		(672,382)
Net Capital Assets	$	1,598,006	$	1,655,593
DEFERRED OUTLFOWS OF RESOURCES				
Related to Pensions	$	7,081	$	8,816
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	1,796,615	$	1,998,923
LIABILITIES				
CURRENT LIABILITIES				
Salaries and Related Taxes Payable	$	629	$	758
Due to Other Funds		540		31,047
Accrued Interest Payable		44,437		45,312
Accrued Vacation and Sick Pay		709		737
Current Amount of Long-Term Debt		42,736		30,925
Total Liabilities	$	89,051	$	108,779
LONG-TERM DEBT				
Notes/Bonds Payable	$	1,622,197	$	1,653,122
Less: Current Amount Due		(42,736)		(30,925)
Net Pension Liability		9,786		12,672
Total Long-Term Debt	$	1,589,247	$	1,634,869
Total Liabilities	$	1,678,298	$	1,743,648
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	$	6,635	$	4,994
NET POSITION				
Net Investment in Capital Assets	$	-	$	2,471
Restricted for:				
Debt Service		128,656		112,574
Unrestricted		(16,974)		135,236
Total Net Position	$	111,682	$	250,281
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	1,796,615	$	1,998,923

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SEWER FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Utility Charges	$ 120,958	$ 123,170
Total Operating Revenues	$ 120,958	$ 123,170
OPERATING EXPENSES		
Salaries and Related Payroll Expense	$ 20,334	$ 16,624
Repairs and Maintenance	24,270	49,720
PERA	1,523	1,387
Depreciation	57,587	57,587
Insurance	3,132	5,022
Utilities	1,323	1,270
Miscellaneous Expense	1,197	1,274
Other Billing Expense	-	417
Total Operating Expenses	$ 109,366	$ 133,301
OPERATING INCOME (LOSS)	$ 11,592	$ (10,131)
OTHER INCOME		
PERA Grant - MN	$ 91	56
Total Other Income	$ 91	$ 56
OTHER EXPENSE		
Interest Expense	$ 44,282	$ 45,640
Total Other Expense	$ 44,282	$ 45,640
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	$ (32,599)	$ (55,715)
Transfer to General Fund	(106,000)	-
INCREASE (DECREASE) IN NET POSITION	$ (138,599)	$ (55,715)
NET POSITION - January 1	250,281	305,996
NET POSITION - December 31	$ 111,682	$ 250,281

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
SEWER FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 116,087	$ 123,724
Cash Paid to Suppliers	(30,199)	(55,344)
Cash Paid for Payroll	(21,433)	(17,509)
Net Cash Flow from (Used in) Operating Activities	$ 64,455	$ 50,871
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Paid for Transfers to Other Funds	$ (136,507)	$ -
Cash Received from Transfers from Other Funds	-	18,119
Net Cash Flow from (Used in) Noncapital Financing Activities	$ (136,507)	$ 18,119
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Long-Term Debt Retirements	$ (30,925)	$ (41,471)
Cash Paid for Interest on Debt	(45,157)	(46,469)
Net Cash Flow from (Used in) Capital and Related Financing Activities	$ (76,082)	$ (87,940)
NET INCREASE (DECREASE) IN CASH	$ (148,134)	$ (18,950)
BEGINNING CASH - January 1	322,704	341,654
ENDING CASH - December 31	$ 174,570	$ 322,704
ANALYSIS OF CASH - December 31		
Cash in Checking	$ 174,570	$ 322,704
Total Cash and Cash Equivalents	$ 174,570	$ 322,704
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 11,592	$ (10,131)
Other Income	91	56
Noncash Items Included in Net Income:		
Depreciation	57,587	57,587
(Increase) Decrease in Accounts Receivable	(4,871)	554
(Increase) Decrease in Prepaid Expenses	(277)	2,359
(Increase) Decrease in Deferred Outflows of Resources from PERA	1,735	(4,001)
Increase (Decrease) in Payroll Withholdings and Accruals	(129)	250
Increase (Decrease) in Accrued Vacation and Sick Pay	(28)	(139)
Increase (Decrease) in Net Pension Liability	(2,886)	6,693
Increase (Decrease) in Deferred Inflows of Resources	1,641	(2,357)
Net Cash Flow Provided by (Used in) Operating Activities	$ 64,455	$ 50,871

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
GARBAGE FUND
DECEMBER 31, 2023 AND 2022

		2023		2022
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	27,971	$	28,262
Accounts Receivable		4,299		3,462
Total Current Assets	$	32,270	$	31,724
TOTAL ASSETS	$	32,270	$	31,724
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	$	2,707	$	2,678
Sales Tax Payable		291		-
Total Liabilities	$	2,998	$	2,678
NET POSITION				
Unrestricted	$	29,272	$	29,046
Total Net Position	$	29,272	$	29,046
TOTAL LIABILITIES AND NET POSITION	$	32,270	$	31,724

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
GARBAGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Utility Charges	$ 36,139	$ 36,788
Total Operating Revenues	$ 36,139	$ 36,788
OPERATING EXPENSES		
Refuse Collection	$ 35,913	$ 32,190
Total Operating Expenses	$ 35,913	$ 32,190
OPERATING INCOME (LOSS)	$ 226	$ 4,598
INCREASE (DECREASE) IN NET POSITION	$ 226	$ 4,598
NET POSITION - January 1	29,046	24,448
NET POSITION - December 31	$ 29,272	$ 29,046

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
GARBAGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 35,302	$ 36,285
Cash Paid to Suppliers	(35,593)	(32,019)
Net Cash Flow from (Used in) Operating Activities	$ (291)	$ 4,266
NET INCREASE (DECREASE) IN CASH	$ (291)	$ 4,266
BEGINNING CASH - January 1	28,262	23,996
ENDING CASH - December 31	$ 27,971	$ 28,262
ANALYSIS OF CASH - December 31		
Cash in Checking	$ 27,971	$ 28,262
Total Cash and Cash Equivalents	$ 27,971	$ 28,262
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 226	$ 4,598
(Increase) Decrease in Accounts Receivable	(837)	(503)
Increase (Decrease) in Accounts Payable	29	171
Increase (Decrease) in Sales Tax Payable	291	-
Net Cash Flow Provided by (Used in) Operating Activities	$ (291)	$ 4,266

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
EDA HOUSING FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 124,901	$ 81,548
Restricted Cash	10,000	12,069
Prepaid Expenses	3,731	3,638
Total Current Assets	$ 138,632	$ 97,255
CAPITAL ASSETS		
Buildings	$ 1,035,787	$ 1,035,787
Total Capital Assets	$ 1,035,787	$ 1,035,787
Accumulated Depreciation	(899,723)	(862,390)
Net Capital Assets	$ 136,064	$ 173,397
TOTAL ASSETS	$ 274,696	$ 270,652
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 4,339	$ 4,246
Deposits Payable from Restricted Cash	10,000	7,000
Due to Other Funds	13,075	4,000
Current Amount of Long-Term Debt	38,464	37,777
Total Liabilities	$ 65,878	$ 53,023
LONG-TERM DEBT		
Notes/Bonds Payable	$ 321,838	$ 359,615
Less: Current Amount Due	(38,464)	(37,777)
Advances from Other Funds	97,169	88,150
Total Long-Term Debt	$ 380,543	$ 409,988
Total Liabilities	$ 446,421	$ 463,011
NET POSITION		
Net Investment in Capital Assets	-	-
Restricted for:		
Security Deposits	10,000	12,069
Unrestricted	$ (181,725)	$ (204,428)
Total Net Position	$ (171,725)	$ (192,359)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 274,696	$ 270,652

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
EDA HOUSING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Rent Income	$ 113,393	$ 107,320
Total Operating Revenues	$ 113,393	$ 107,320
OPERATING EXPENSES		
Depreciation Expense	$ 37,333	36,689
Maintenance and Utilities	22,745	29,433
Insurance	8,925	9,940
Payment in Lieu of Taxes/Property Taxes	5,585	5,513
Lawn Care and Snow Removal	11,072	12,390
Other Expenses	172	13
Professional Services	1,219	-
Total Operating Expenses	$ 87,051	$ 93,978
OPERATING INCOME (LOSS)	$ 26,342	$ 13,342
OTHER INCOME		
Miscellaneous Income	$ 606	$ -
Interest Income	3	3
Total Other Income	$ 609	$ 3
OTHER EXPENSE		
Interest Expense	$ 6,317	$ 7,007
Total Other Expense	$ 6,317	$ 7,007
INCREASE (DECREASE) IN NET POSITION	$ 20,634	$ 6,338
NET POSITION - January 1	(192,359)	(198,697)
NET POSITION - December 31	$ (171,725)	$ (192,359)

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
EDA HOUSING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 116,999	$ 107,320
Cash Paid to Suppliers	(49,718)	(56,348)
Net Cash Flow from (Used in) Operating Activities	$ 67,281	$ 50,972
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from Transfers from Other Funds	$ 18,094	$ 8,793
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Long-Term Debt Retirements	$ (37,777)	$ (37,087)
Cash Paid for Interest on Debt	(6,317)	(7,007)
Cash Paid for Purchase of Fixed Assets	-	(13,622)
Net Cash Flow from (Used in) Capital and Related Financing Activities	$ (44,094)	$ (57,716)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	$ 3	$ 3
Net Cash Flow from (Used in) Investing Activities	$ 3	$ 3
NET INCREASE (DECREASE) IN CASH	$ 41,284	$ 2,052
BEGINNING CASH - January 1	93,617	91,565
ENDING CASH - December 31	$ 134,901	$ 93,617
ANALYSIS OF CASH - December 31		
Cash in Checking	$ 134,901	$ 93,617
Total Cash and Cash Equivalents	$ 134,901	$ 93,617
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 26,342	$ 13,342
Interest Income on Cash Equivalents		
Other Income	606	-
Noncash Items Included in Net Income:		
Depreciation	37,333	36,689
(Increase) Decrease in Prepaid Expenses	(93)	1,146
Increase (Decrease) in Accounts Payable	93	(205)
Increase (Decrease) in Customer Deposits	3,000	-
Net Cash Flow Provided by (Used in) Operating Activities	$ 67,281	$ 50,972

OTHER REQUIRED REPORTS

DREALAN KVILHAUG HOEFKER & CO., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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VICKIE L. KUIPERS, EA
CINDY M. PENNING, CPA

MINNESOTA LEGAL COMPLIANCE

Independent Auditor's Report

To the City Council
City of Ivanhoe
Ivanhoe, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the government activities, the business-type activities, and each major fund and the aggregate remaining fund information of the City of Ivanhoe, Minnesota 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 October 30, 2024.

In connection with our audit, we noted that City of Ivanhoe, Minnesota failed to comply with the provisions of the claims and disbursements 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 matters as described in the schedule of findings and responses as items MN2023-1 and MN2023-2. Also, in connection with our audit, nothing came to our attention that caused us to believe that City of Ivanhoe, Minnesota failed to comply with the provisions of contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, 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.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Ivanhoe, Minnesota's response to the legal compliance findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Drealan Kvilhaug Hoefker & Co., P.A.

Worthington, Minnesota
October 30, 2024

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CITY OF IVANHOE, MINNESOTA

LEGAL COMPLIANCE

SCHEDULE OF FINDINGS AND RESPONSES ON COMPLIANCE WITH MINNESOTA STATUTES

FOR THE YEAR ENDED DECEMBER 31, 2023

CURRENT AUDIT

FINDING:

MN2023-1: **Claims not paid within standard payment period**

Criteria: The standard payment period for governing boards that meet at least once per month is 35 days from the receipt. The City must pay interest on bills not paid in a timely manner. Internal controls should be in place that provide reasonable assurance that a proper segregation of duties has been established.

Condition: No interest was paid on claims not paid in a timely manner.

Effect: Claims were paid without the required interest added to the amount remitted.

Cause: Minnesota Statute § 412.271, subd 1 requires all claims against the City be audited and allowed by the Council prior to payment except for payments of judgements, wages previously fixed by Council, or principal and interest on debt. The Council may authorize payment of certain claims before audit and approval, but must approve those claims at the next council meeting.

Recommendation: More care needs to be taken to ensure bills are paid within the time allowed by statute.

View of Responsible Official: Acknowledge

CITY OF IVANHOE, MINNESOTA

LEGAL COMPLIANCE

SCHEDULE OF FINDINGS AND RESPONSES ON COMPLIANCE WITH MINNESOTA STATUTES

FOR THE YEAR ENDED DECEMBER 31, 2023

CURRENT AUDIT

FINDING:

MN2023-2: **Missing authorization signatures on claims paid**

Criteria: Claims are required to be reviewed and endorsed as authorized once they have been approved, prior to payment.

Condition: Claims were paid without authorization signature.

Effect: Claims were paid without the required authorization documentation.

Cause: Minnesota Statute § 412.271, subd 3 requires all claims against the City reviewed and endorsed with either "disallowed" or "allowed in the amount of $_______," if approved in whole or in part and specifying the items rejected prior to payment except for payments of judgements, wages previously fixed by Council, or principal and interest on debt. The Council may authorize payment of certain claims before audit and approval, but must approve those claims at the next council meeting.

Recommendation: More care needs to be taken to ensure bills are reviewed and authorized with a signature before they are paid.

View of Responsible Official: Acknowledge

CITY OF IVANHOE

"The Storybook Town"
PO Box 54, Ivanhoe, MN 56142
Ph: (507) 694-1738 Fax: (507) 694-1278
TTY MN Relay Service 7-1-1 or (800) 627-3529
Email: cityivan@itctel.com
Website: www.city-ivanhoe-mn.com

LEGAL COMPLIANCE
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

FINDING:

MN2023-1

Name of Contact Person Responsible for Corrective Action:

Dennis Klingbile, City of Ivanhoe, Minnesota Mayor

Corrective Action Planned:

City Administration will more carefully review the list of payments before it is submitted to the council for approval.

Anticipated Completion Date:

The procedures have been updated to mark all claims when received and more closely watch the timing of claims received so that they are paid within the time allowed by statute.

CITY OF IVANHOE

"The Storybook Town"

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Ph: (507) 694-1738 Fax: (507) 694-1278
TTY MN Relay Service 7-1-1 or (800) 627-3529
Email: cityivan@itctel.com
Website: www.city-ivanhoe-mn.com

LEGAL COMPLIANCE
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

FINDING:

MN2023-2

Name of Contact Person Responsible for Corrective Action:

Dennis Klingbile, City of Ivanhoe, Minnesota Mayor

Corrective Action Planned:

The City Administrator to include endorsement of claims and require endorsement of claims from various department heads.

Anticipated Completion Date:

The City Administrator position has been replaced since December 31, 2023. The new Administrator has updated procedures that include endorsement of claims as part of the review and claims paying process.

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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*

To the City Council
City of Ivanhoe, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ivanhoe, Minnesota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Ivanhoe, Minnesota's basic financial statements and have issued our report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Ivanhoe, Minnesota'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 City of Ivanhoe, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ivanhoe, Minnesota'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 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 2023-1, 2023-2, and 2023-3 that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ivanhoe, Minnesota'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*.

City of Ivanhoe, Minnesota's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Ivanhoe, Minnesota's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Ivanhoe, Minnesota's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Dreelan Kvilhaug Hoefker & Co, P.A.

Worthington, Minnesota
October 30, 2024

CITY OF IVANHOE, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

CURRENT AUDIT

FINDING	DESCRIPTION
2023-1:	**Segregation of Duties**
Criteria:	Internal controls should be in place that provide reasonable assurance that a proper segregation of duties has been established.
Condition:	The City has limited personnel available to perform accounting duties.
Effect:	As a result of the lack of segregation, personnel are performing duties which, for internal control purposes, should be performed by a separate individual.
Cause:	Internal controls should be in place that provide reasonable assurance that a proper segregation of duties has been established.
Recommendation:	This is not unusual in Cities of this size. The City Council should be aware of this condition and monitor the duties of City personnel.

View of Responsible Official: Acknowledge

CITY OF IVANHOE, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

CURRENT AUDIT

FINDING	DESCRIPTION
2023-2:	**Material Audit Adjustments**
Criteria:	The City should have controls in place to prevent and detect and correct a material misstatement in the financial statements in a timely manner.
Condition:	A number of audit entries were proposed, several of which were material.
Effect:	The City agreed to the proposed audit entries, so there was no effect on the financial statements.
Cause:	The City does not have an internal control system designed to identify all necessary adjustments.
Recommendation:	A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisory levels.

View of Responsible Official: Acknowledge

CITY OF IVANHOE, MINNESOTA
LEGAL COMPLIANCE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

CURRENT AUDIT

FINDING	DESCRIPTION
2023-3:	**Lack of Internal Controls**
Criteria:	The City should have controls in place to prevent and detect and correct a material misstatement in the financial statements in a timely manner.
Condition:	An overall lack of internal controls was noted throughout the audit.
Effect:	This could affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.
Cause:	The City does not have an internal control system designed to identify all necessary adjustments.
Recommendation:	A thorough review of internal controls should take place. This review should be done at both the accounting staff and accounting supervisory levels.

View of Responsible Official: Acknowledge

CITY OF IVANHOE

"The Storybook Town"
PO Box 54, Ivanhoe, MN 56142
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Email: cityivan@itctel.com
Website: www.city-ivanhoe-mn.com

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

FINDING:

2023-1

Name of Contact Person Responsible for Corrective Action:

Dennis Klingbile, City of Ivanhoe, Minnesota Mayor

Corrective Action Planned:

The City Council will monitor the duties of City personnel.

Anticipated Completion Date:

The procedures have been updated to monitor duties.

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CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

FINDING:

2023-2

Name of Contact Person Responsible for Corrective Action:

Dennis Klingbile, City of Ivanhoe, Minnesota Mayor

Corrective Action Planned:

The City Accountant will work closely with the City Administrator to determine training needs with the intent to reduce overall frequency or number of adjusting journal entries.

Anticipated Completion Date:

The City Administrator position has been replaced since December 31, 2023. The new Administrator has been taking training courses and will continue to take training courses and is working closely with the City Accountant and software company to ensure a better understanding of the City record keeping.

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CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

FINDING:

2023-3

Name of Contact Person Responsible for Corrective Action:

Dennis Klingbile, City of Ivanhoe, Minnesota Mayor

Corrective Action Planned:

The City will work to update internal control procedures.

Anticipated Completion Date:

The City Administrator position has been replaced since December 31, 2023. The new Administrator, along with the Mayor, City Council, and various department heads have updated procedures to include more internal controls.

The City of Ivanhoe is an equal opportunity provider and a veteran friendly employer

CITY OF IVANHOE, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2023

Finding Number: 2022-001
Year of Finding Origination:
Finding Title: Lack of Segregation of Duties

Summary of Condition: The City has a lack of segregation of duties due to a limited staff.

Summary of Corrective Action Previously Reported: The City Council should monitor operations closely including review of monthly bank reconciliations, utility billings and disbursements.

Status: Not fully corrected

Finding Number: 2022-002
Year of Finding Origination:
Finding Title: Bank Reconciliation Errors

Summary of Condition: Bank reconciliations contained errors such as duplicate items and significant uncleared transactions requiring material audit adjustments.

Summary of Corrective Action Previously Reported: Monthly review of bank reconciliations for accuracy.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2022-003
Year of Finding Origination:
Finding Title: Material audit adjustments

Summary of Condition: The City does not have the necessary staff and expertise to prevent or detect a material misstatement in the annual financial statements including footnote disclosures.

Summary of Corrective Action Previously Reported: The City should continue to evaluate its internal staff, expertise, and assigned duties to determine if there is sufficient expertise to review and approve the annual financial report and related footnote disclosures.

Status: Not fully corrected

Finding Number: 2022-004
Year of Finding Origination:
Finding Title: Escheated property

Summary of Condition: Multiple unreconciled checks dated greater than three years old were identified during the audit.

Summary of Corrective Action Previously Reported: Review of all outstanding checks and follow Minn. Stat. § 345.38, subd. 43 when applicable.

Status: Fully Corrected. Corrective action was taken.

CITY OF IVANHOE, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2023

Finding Number: 2022-005
Year of Finding Origination:
Finding Title: Bills not paid within standard payment period

Summary of Condition: No interest was paid on claims not paid in a timely manner.

Summary of Corrective Action Previously Reported: More care to be taken to ensure bills are paid within the time allowed by statute.

Status: Not fully corrected