

CITY OF IVANHOE
IVANHOE, MINNESOTA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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INTRODUCTORY SECTION

CITY OF IVANHOE
ORGANIZATIONAL INFORMATION
DECEMBER 31, 2024

CITY COUNCIL MEMBERS

<u>MEMBER</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
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

Dianne Beckendorf	City Administrator	Appointed
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FINANCIAL SECTION

DREALAN KVILHAUG HOEFKER & CO., P.A.



Member
Division for CPA Firms AICPA

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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, 2024, 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, 2024, 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 August 11, 2025, 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, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City 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.

Drearon Kvålhaug Høfker & Co., P.A.

Worthington, Minnesota
August 11, 2025

CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 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, 2024. 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 \$3,094,488 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$2,702,597.

The City's total combined net position increased by \$391,891 or 14.5% between 2023 and 2024.

Total net position is comprised of the following:

- (1) Net Investment in Capital Assets of \$2,060,559 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 \$256,731 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 and in the Ambulance Fund to be utilized for expenses that are eligible under the Emergency Ambulance Service Aid program.
- (3) Unrestricted net position of \$777,198 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 \$1,151,500. \$153,927 is non-spendable since it represents the portion of fund balance that has been spent for prepaid items or advanced to other funds. \$68,516 is restricted in the Fire and Ambulance Funds, and \$10,750 is committed in the Fire Fund, \$507,050 is assigned within the General, Fire, Economic Development, and Small Cities Development Funds, and \$411,257 is unassigned and available for general government operating expenditures.

Overall revenues for 2024 were \$1,981,009 while overall expenses totaled \$1,589,118. Overall revenues for 2023 were \$1,552,146 while overall expenses totaled \$1,721,646.

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:

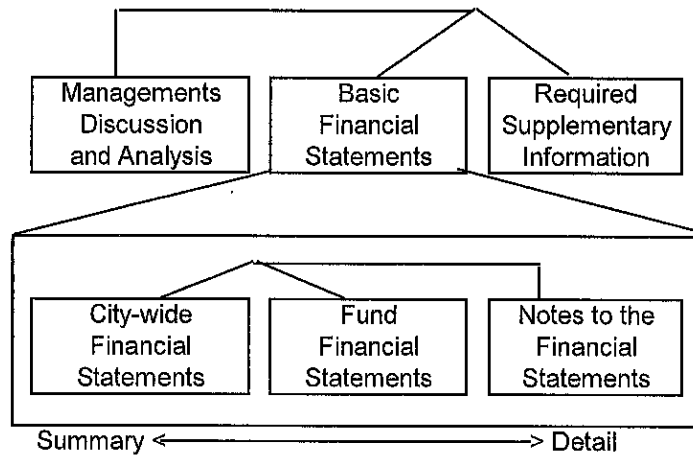
The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

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.

**CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024**

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	Balance Sheet	Statement of Fund Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	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

CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024

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.

CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024

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 \$3,094,488 on December 31, 2024 (see detail in Table A-1).

Table A-1
Summary of Net Position

	Governmental Activities	Business-Type Activities	Total 2024	Total 2023	Percentage Change
Current and Other Assets	\$ 1,327,862	\$ 319,434	\$ 1,647,296	\$ 1,384,174	19.01%
Capital and Non-Current Assets	1,740,041	2,640,511	4,380,552	4,319,594	1.41%
Total Assets	\$ 3,067,903	\$ 2,959,945	\$ 6,027,848	\$ 5,703,768	5.68%
Deferred Outflows of Resources	\$ 151,089	\$ 40,050	\$ 191,139	\$ 287,583	-33.54%
Current Liabilities	\$ 70,514	\$ 217,451	\$ 287,965	\$ 350,023	-17.73%
Long-Term Liabilities	117,961	2,419,815	2,537,776	2,656,922	-4.48%
Total Liabilities	\$ 188,475	\$ 2,637,266	\$ 2,825,741	\$ 3,006,945	-6.03%
Deferred Inflows of Resources	\$ 240,150	\$ 58,608	\$ 298,758	\$ 281,809	6.01%
Net Position					
Net Investment in Capital					
Assets	\$ 1,671,530	\$ 389,029	\$ 2,060,559	\$ 1,985,206	3.80%
Restricted	68,516	188,215	256,731	177,918	44.30%
Unrestricted	1,050,321	(273,123)	777,198	539,473	44.07%
Total Net Position	\$ 2,790,367	\$ 304,121	\$ 3,094,488	\$ 2,702,597	14.50%

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 increased due to asset purchases and long-term debt payments exceeding depreciation. Net position increased in the governmental funds primarily due to contributions to the General and Fire funds to support capital outlay projects as well as state aid to the Ambulance fund to support public safety activity. Additionally, the City received federal grants from past disaster relief that also contributed to the increase in net position.

CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024

Changes in net position. The City's total governmental activities revenues were \$1,261,566 for the year ended December 31, 2024. Property taxes and state aid accounted for 54% of the total revenue and program charges, operating grants and contributions, and capital grants and gifts accounted for 33% 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 \$863,074 for the year ended December 31, 2024.

Table A-2
Changes in Net Position

	Governmental Activities	Business-Type Activities	Total 2024	Total 2023	Percentage Change
Revenues					
Program Revenues:					
Charges for Services	\$ 171,590	\$ 688,793	\$ 860,383	\$ 734,386	17.16%
Operating Grants and Gifts	146,700	2,701	149,401	115,013	29.90%
Capital Grants and Gifts	97,070	-	97,070	-	100.00%
General Revenues:					
Property Taxes	346,006	-	346,006	310,134	11.57%
Unrestricted Federal/State Aid	344,837	-	344,837	264,028	30.61%
Fines and Forfeits	1,335	-	1,335	50	2570.00%
Licenses and Permits	3,301	-	3,301	3,349	-1.43%
Rehab Loan Interest	3,639	-	3,639	2,857	27.37%
Gain(Loss) on Disposal of Asset	42,834	-	42,834	3,700	1057.68%
Insurance Proceeds	53,362	27,459	80,821	52,455	54.08%
Refunds and Reimbursements	7,110	-	7,110	12,369	-42.52%
Investment Earnings	1,039	490	1,529	447	242.06%
Other	42,743	-	42,743	53,358	-19.89%
Total Revenues	\$ 1,261,566	\$ 719,443	\$ 1,981,009	\$ 1,552,146	27.63%
Expenses					
General Government	\$ 162,787	\$ -	\$ 162,787	\$ 145,755	11.69%
Public Safety	187,362	-	187,362	241,632	-22.46%
Public Works	236,568	-	236,568	256,903	-7.92%
Economic Development	100,211	-	100,211	73,018	37.24%
Culture and Recreation	147,942	-	147,942	128,727	14.93%
Debt Service	1,677	-	1,677	2,274	-26.25%
Miscellaneous	26,527	-	26,527	146,439	-81.89%
Liquor	-	250,508	250,508	282,845	-11.43%
Water	-	175,414	175,414	161,124	8.87%
Sewer	-	148,612	148,612	153,648	-3.28%
Garbage	-	35,472	35,472	35,913	-1.23%
EDA Housing	-	116,038	116,038	93,368	24.28%
Total Expenses	\$ 863,074	\$ 726,044	\$ 1,589,118	\$ 1,721,646	-7.70%
Change in Net Position	\$ 398,492	\$ (6,601)	\$ 391,891	\$ (169,500)	-331.20%
Beginning Net Position	2,391,875	310,722	2,702,597	2,872,097	-5.90%
Ending Net Position	\$ 2,790,367	\$ 304,121	\$ 3,094,488	\$ 2,702,597	14.50%

CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024

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	\$ 162,787	\$ 28,170	\$ 134,617
Public Safety	187,362	289,894	-102,532
Public Works	236,568	-	236,568
Economic Development	100,211	25,900	74,311
Culture and Recreation	147,942	71,396	76,546
Debt Service	1,677	-	1,677
Miscellaneous	26,527	-	26,527
Total	<u>\$ 863,074</u>	<u>\$ 415,360</u>	<u>\$ 447,714</u>

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 \$1,151,500. This was up from \$851,576 at the end of the prior year, an increase of \$299,924. The increase in fund balance is primarily due to increased federal and state aid as well as contributions to the City for various projects.

Revenues and Expenditures Revenues of the governmental funds totaled \$1,170,873 while total expenditures were \$971,236. 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

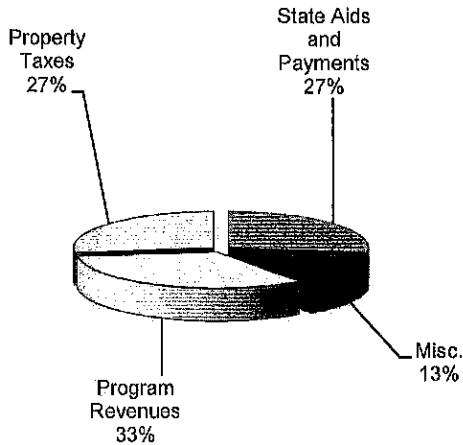
	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance Increase (Decrease)
General Fund	\$ 777,911	\$ 597,692	\$ (56,401)	\$ 123,818
Fire Fund	166,974	206,190	31,912	(7,304)
Ambulance Fund	126,609	40,909	-	85,700
Economic Development Fund	26,056	69,406	92,776	49,426
Small Cities Development Fund	53,966	6,535	-	47,431
Library Fund	19,357	50,504	32,000	853
Totals	<u>\$ 1,170,873</u>	<u>\$ 971,236</u>	<u>\$ 100,287</u>	<u>\$ 299,924</u>

CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024

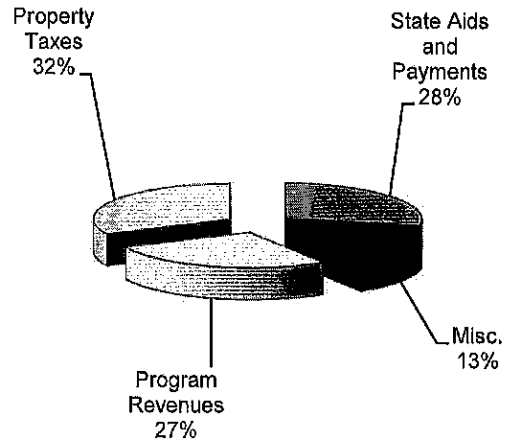
The City's total governmental activities revenues consisted of program revenues of \$415,360, property taxes of \$346,006, federal aid and payments from the state of \$344,837, and interest and miscellaneous revenues of \$155,363. Expenses of \$863,074 consisted of general government administration expense of \$162,787, public safety expense of \$187,362, public works expense of \$236,568, economic development of \$100,211, culture and recreation of \$147,942, debt service expense of \$1,677 and miscellaneous expenses of \$26,527.

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

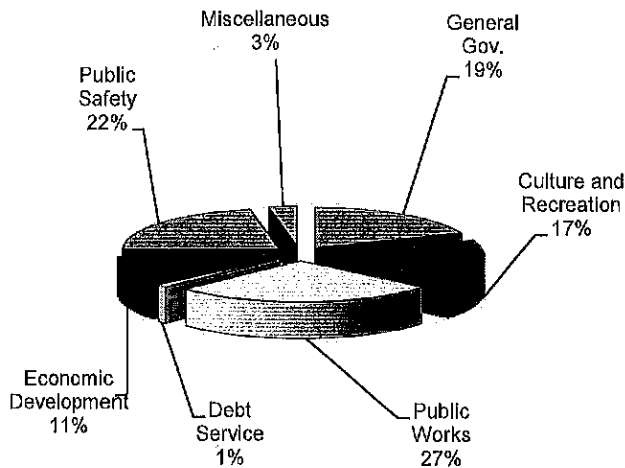
Gov. Activities Revenues 2024 - Table A-3



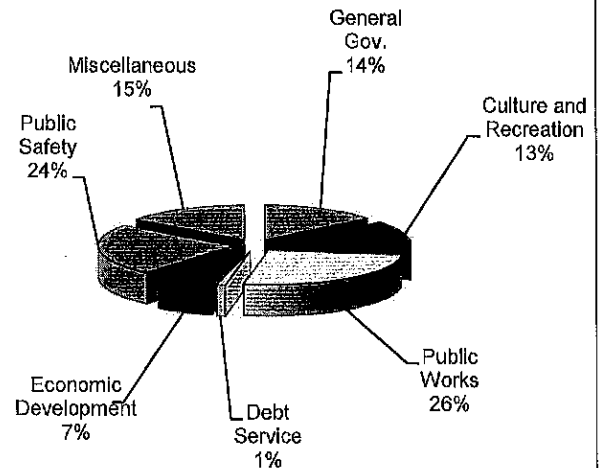
Gov. Activities Revenues 2023 - Table A-3



Gov. Activities Expenses 2024 - Table A-4



Gov. Activities Expenses 2023 - Table A-4



CITY OF IVANHOE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2024

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 and Water funds reported slight net operating losses, while the Sewer, Garbage, and EDA Housing funds each reported an operating profit for the year. The operating losses of the Liquor and Water funds were due to ordinary expenses of both funds slightly outweighing income for the year and not the result of any extraordinary expenses or reduction in income during the year. The operating profits of the 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 Water and Sewer funds while the Liquor, Garbage, and EDA Housing funds each showed an overall profit. The shifts in the Water and Sewer funds were primarily due to interest expense of each fund. The change in the Liquor fund total profit was due to insurance proceeds received from legal fees.

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, in excess of what was budgeted for 2024. The City received federal and state aid in excess of budgeted amounts as well as contributions from the public and local organizations to be used for swimming pool improvements. Expenses for public safety were below budget due to the City terminating the position of the police chief which is a permanent change for the City. Public works also experienced lower than budgeted expenses due, primarily, to savings in repairs and maintenance. Administrative expenses were in excess of budgeted amounts primarily due to an increase in wage related expenses and employee benefits.

The Fire fund experienced a larger deficit, as compared to the budget, primarily due to capital outlay expenditures in excess of budgeted amounts. Revenues were also higher than budgeted due to charges for services and donations exceeding budgeted amounts. Capital outlay excess, however, outweighed the added revenue.

Capital Assets Note 4 to the financial statements presents an analysis of capital asset transactions occurring during the year ended December 31, 2024. Total governmental activities fixed assets showed a net increase of \$107,607 which consisted of \$142,548 in equipment additions to the Fire fund, \$39,000 in land and improvements in the EDA fund, and \$45,172 in swimming pool improvements along with \$17,899 in public works equipment in the General fund. Disposals consisted of the sale of land and the Café building, with a combined original cost of \$17,883, in the EDA fund, sales in the Fire fund of four vehicles with a combined original cost of \$70,147, and within the General fund, the sale of public safety equipment with a cost of \$36,983 and the trade of public works equipment with a cost of \$11,999.

Capital asset additions in the enterprise funds totaling \$72,636 was related to watermain improvements of the Water fund.

Long-Term Debt At year end the City's total long-term debt was \$2,543,678. This consisted of bonded indebtedness of \$2,505,167, a note payable of \$8,511, and a contract for deed of \$30,000. Additional 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, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 768,836	\$ 368,764	\$ 1,137,600
Restricted Cash	-	188,215	188,215
Due from Other Governments	34,126	-	34,126
Delinquent Taxes Receivable	30,645	-	30,645
Accounts Receivable	42,067	38,565	80,632
Internal Balances	321,303	(321,303)	-
Prepaid Items	17,669	9,747	27,416
Inventory	-	35,446	35,446
Loans Receivable	113,216	-	113,216
Capital Assets:			
Nondepreciable	189,120	22,567	211,687
Depreciable, Net of Accumulated Depreciation	1,550,921	2,617,944	4,168,865
Total Assets	<u>\$ 3,067,903</u>	<u>\$ 2,959,945</u>	<u>\$ 6,027,848</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources from PERA (GERF and PEPFF)	<u>\$ 151,089</u>	<u>\$ 40,050</u>	<u>\$ 191,139</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 3,218,992</u></u>	<u><u>\$ 2,999,995</u></u>	<u><u>\$ 6,218,987</u></u>
LIABILITIES			
Accounts Payable	\$ 28,143	\$ 16,750	\$ 44,893
Accrued Salaries and Wages	8,280	8,178	16,458
Sales Tax Payable	-	4,476	4,476
Accrued Interest Payable	-	57,430	57,430
Customer Deposits	-	9,250	9,250
Accrued Compensated Absences	12,844	5,719	18,563
Unearned Revenue	-	2,452	2,452
Net Pension Liability PERA (GERF and PEPFF)	70,697	57,844	128,541
Long-Term Debt:			
Due Within One Year	21,247	113,196	134,443
Due in More Than One Year	47,264	2,361,971	2,409,235
Total Liabilities	<u>\$ 188,475</u>	<u>\$ 2,637,266</u>	<u>\$ 2,825,741</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources from PERA (GERF and PEPFF)	<u>\$ 240,150</u>	<u>\$ 58,608</u>	<u>\$ 298,758</u>
Total Deferred Inflows of Resources	<u>\$ 240,150</u>	<u>\$ 58,608</u>	<u>\$ 298,758</u>
NET POSITION			
Net Investment in Capital Assets	\$ 1,671,530	\$ 389,029	\$ 2,060,559
Restricted	68,516	188,215	256,731
Unrestricted	1,050,321	(273,123)	777,198
Total Net Position	<u>\$ 2,790,367</u>	<u>\$ 304,121</u>	<u>\$ 3,094,488</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 3,218,992</u></u>	<u><u>\$ 2,999,995</u></u>	<u><u>\$ 6,218,987</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

CITY OF IVANHOE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM REVENUES					GOVERNMENTAL ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General Government	\$ 162,787	\$ 24,723	\$ 3,447	\$ -	\$ (134,617)	
Public Safety	187,362	120,967	123,927	45,000	102,532	
Public Works	236,568	-	-	-	(236,568)	
Culture and Recreation	147,942	-	19,326	52,070	(76,546)	
Interest and Fees on Long-Term Debt	1,677	-	-	-	(1,677)	
Housing and Economic Development	100,211	25,900	-	-	(74,311)	
Miscellaneous	26,527	-	-	-	(26,527)	
Total Governmental Activities	\$ 863,074	\$ 171,590	\$ 146,700	\$ 97,070	\$ (447,714)	
Business-Type Activities:						
Liquor	\$ 250,508	\$ 248,358	\$ 1,801	\$ -	\$ -	
Water	175,414	152,547	600	-	-	
Sewer	148,612	134,543	300	-	-	
Garbage	35,472	35,699	-	-	-	
EDA Housing	116,038	117,646	-	-	-	
Total Business-Type Activities	\$ 726,044	\$ 688,793	\$ 2,701	\$ -	\$ -	
Total Government	\$ 1,589,118	\$ 860,383	\$ 149,401	\$ 97,070	\$ (447,714)	
General Revenues:						
Property Taxes				\$	346,006	
Unrestricted State Aid					344,837	
Licenses and Permits					3,301	
Fines and Forfeits					1,335	
Rehab Loan Interest					3,639	
Gain (Loss) on Disposal of Fixed Assets					42,834	
Refunds and Reimbursements					7,110	
Insurance Claims					53,362	
Miscellaneous					42,743	
Unrestricted Investment Earnings					1,039	
Total General Revenues and Transfers				\$	846,206	
Changes in Net Position				\$	398,492	
Net Position - Beginning					2,391,875	
Net Position - Ending				\$	2,790,367	

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS-TYPE ACTIVITIES		TOTAL
\$	-	\$ (134,617)
	-	102,532
	-	(236,568)
	-	(76,546)
	-	(1,677)
	-	(74,311)
	-	(26,527)
\$	-	\$ (447,714)
\$	(349)	\$ (349)
	(22,267)	(22,267)
	(13,769)	(13,769)
	227	227
	1,608	1,608
\$	(34,550)	\$ (34,550)
\$	(34,550)	\$ (482,264)
\$	-	\$ 346,006
	-	344,837
	-	3,301
	-	1,335
	-	3,639
	-	42,834
	-	7,110
	27,459	80,821
	-	42,743
	490	1,529
\$	27,949	\$ 874,155
\$	(6,601)	\$ 391,891
	310,722	2,702,597
\$	304,121	\$ 3,094,488

CITY OF IVANHOE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	SPECIAL REVENUE			
	GENERAL FUND	FIRE FUND	AMBULANCE FUND	ECONOMIC DEVELOPMENT FUND
ASSETS				
Cash and Investments	\$ 292,625	\$ 168,708	\$ 77,310	\$ 78,781
Due from Other Governments	34,126	-	-	-
Delinquent Taxes Receivable	30,645	-	-	-
Less: Allowance for Delinquent Taxes	(30,645)	-	-	-
Accounts Receivable	-	-	17,067	25,000
Due from Other Funds	237,208	-	-	7,636
Prepaid Expenses	12,787	2,491	969	763
Advances to Other Funds	97,169	-	-	-
Loans Receivable	-	-	-	3,922
TOTAL ASSETS	\$ 673,915	\$ 171,199	\$ 95,346	\$ 116,102
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 15,121	\$ 12,250	\$ 11	\$ -
Salaries and Related Taxes Payable	6,496	-	626	-
Due to Other Funds	81,736	-	-	11,746
Advances from Other Funds	39,089	-	-	-
Total Liabilities	\$ 142,442	\$ 12,250	\$ 637	\$ 11,746
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows from Loans Receivable	\$ -	\$ -	\$ -	\$ -
FUND BALANCE				
Nonspendable	\$ 109,956	\$ 2,491	\$ 969	\$ 763
Restricted	-	8,838	59,678	-
Committed	-	10,750	-	-
Assigned	10,260	136,870	34,062	103,593
Unassigned	411,257	-	-	-
Total Fund Balance	\$ 531,473	\$ 158,949	\$ 94,709	\$ 104,356
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 673,915	\$ 171,199	\$ 95,346	\$ 116,102

The Accompanying Notes are an Integral Part of the Financial Statements

SPECIAL REVENUE

SMALL CITIES DEVELOPMENT FUND	LIBRARY FUND	TOTAL
\$ 126,957	\$ 24,455	\$ 768,836
-	-	34,126
-	-	30,645
-	-	(30,645)
-	-	42,067
96,408	-	341,252
-	659	17,669
39,089	-	136,258
109,294	-	113,216
<u>\$ 371,748</u>	<u>\$ 25,114</u>	<u>\$ 1,453,424</u>
\$ 452	\$ 309	\$ 28,143
-	1,158	8,280
23,636	-	117,118
-	-	39,089
<u>\$ 24,088</u>	<u>\$ 1,467</u>	<u>\$ 192,630</u>
\$ 109,294	\$ -	\$ 109,294
\$ 39,089	\$ 659	\$ 153,927
-	-	68,516
-	-	10,750
199,277	22,988	507,050
-	-	411,257
<u>\$ 238,366</u>	<u>\$ 23,647</u>	<u>\$ 1,151,500</u>
<u>\$ 371,748</u>	<u>\$ 25,114</u>	<u>\$ 1,453,424</u>

CITY OF IVANHOE
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balances for Governmental Funds	\$	1,151,500
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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	\$	183,126	
Work in Progress		5,994	
Land Improvements, Net of \$175,417 Accumulated Depreciation		14,377	
Buildings, Net of \$330,891 Accumulated Depreciation		130,670	
Furniture and Equipment, Net of \$1,109,096 Accumulated Depreciation		396,810	
Infrastructure, Net of \$1,742,986 Accumulated Depreciation		<u>1,009,064</u>	1,740,041

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	\$	30,645	
Deferred Small Cities Rehab Loans		<u>109,294</u>	139,939

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	\$	(30,000)	
Notes Payable		(8,511)	
Contract for Deed		(30,000)	
GERF Net Pension Liability		(70,697)	
Compensated Absences Payable		<u>(12,844)</u>	(152,052)

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	\$	48,951	
Deferred Outflows of Resources from PEPFF		<u>102,138</u>	151,089
Deferred Inflows of Resources			
Deferred Inflows of Resources from GERF	\$	(71,633)	
Deferred Inflows of Resources from PEPFF		<u>(168,517)</u>	(240,150)

Total Net Position of Governmental Activities	\$	<u><u>2,790,367</u></u>
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CITY OF IVANHOE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE			
	GENERAL FUND	FIRE FUND	AMULANCE FUND	ECONOMIC DEVELOPMENT FUND
REVENUES				
General Property Taxes	\$ 331,807	\$ -	\$ -	\$ -
Licenses and Permits	3,301	-	-	-
Intergovernmental Aid	344,837	27,824	66,916	-
Charges for Services	24,723	80,140	40,827	-
Fines and Forfeits	1,335	-	-	-
Contributions and Donations	52,215	59,010	15,177	-
Interest	883	-	-	156
Rents	-	-	-	25,900
Rehab Grant/Loan Repayments	-	-	-	-
Refunds and Reimbursements	7,110	-	-	-
Miscellaneous	11,700	-	3,689	-
TOTAL REVENUES	\$ 777,911	\$ 166,974	\$ 126,609	\$ 26,056
EXPENDITURES				
General Government	\$ 170,144	\$ -	\$ -	\$ -
Public Safety	59,671	63,642	40,909	-
Public Works	194,818	-	-	-
Culture and Recreation	83,461	-	-	-
Capital Outlay	63,071	142,548	-	9,000
Housing and Economic Development	-	-	-	60,406
Miscellaneous	26,527	-	-	-
TOTAL EXPENDITURES	\$ 597,692	\$ 206,190	\$ 40,909	\$ 69,406
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 180,219	\$ (39,216)	\$ 85,700	\$ (43,350)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Property and Equipment	\$ 19,599	\$ 17,800	\$ -	\$ 29,414
Insurance Claims	-	-	-	53,362
Transfers from Other Funds	-	34,000	-	10,000
Transfers to Other Funds	(76,000)	-	-	-
Long-Term Debt Paid	-	(19,888)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (56,401)	\$ 31,912	\$ -	\$ 92,776
NET CHANGE IN FUND BALANCES	\$ 123,818	\$ (7,304)	\$ 85,700	\$ 49,426
FUND BALANCE - January 1	407,655	166,253	9,009	54,930
FUND BALANCE - December 31	\$ 531,473	\$ 158,949	\$ 94,709	\$ 104,356

The Accompanying Notes are an Integral Part of the Financial Statements

SPECIAL REVENUE

SMALL CITIES		
DEVELOPMENT FUND	LIBRARY FUND	TOTAL
\$ -	\$ -	\$ 331,807
-	-	3,301
-	17,549	457,126
-	-	145,690
-	-	1,335
-	1,777	128,179
3,639	-	4,678
-	-	25,900
50,327	-	50,327
-	-	7,110
-	31	15,420
<u>\$ 53,966</u>	<u>\$ 19,357</u>	<u>\$ 1,170,873</u>
\$ -	\$ -	\$ 170,144
-	-	164,222
-	-	194,818
-	50,504	133,965
-	-	214,619
6,535	-	66,941
-	-	26,527
<u>\$ 6,535</u>	<u>\$ 50,504</u>	<u>\$ 971,236</u>
<u>\$ 47,431</u>	<u>\$ (31,147)</u>	<u>\$ 199,637</u>
\$ -	\$ -	\$ 66,813
-	-	53,362
-	32,000	76,000
-	-	(76,000)
-	-	(19,888)
<u>\$ -</u>	<u>\$ 32,000</u>	<u>\$ 100,287</u>
\$ 47,431	\$ 853	\$ 299,924
<u>190,935</u>	<u>22,794</u>	<u>851,576</u>
<u>\$ 238,366</u>	<u>\$ 23,647</u>	<u>\$ 1,151,500</u>

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, 2024

Net Changes in Fund Balance - Total Governmental Funds \$ 299,924

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	\$	244,619	
Depreciation Expense		(88,167)	
Gain (Loss) on Disposal of Fixed Assets		<u>(23,979)</u>	132,473

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	\$	14,199	
Net Rehab Loans Advanced and Principal Received		(23,004)	
Rehab Loans Forgiven		<u>(33,270)</u>	(42,075)

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:

Debt Incurred on Contract for Deed	\$	(30,000)	
Repayment of Bond and Note Principal		<u>18,211</u>	(11,789)

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 \$1,302 1,302

The governmental funds report pension expense per the actuarial provided by both GERP and PEPFF retirement plans instead of the actual pension contributions paid by the city in the fund financial statements. The differences are as follows:

GERP Pension Plan expense Difference		9,357	
PEPFF Pension Plan expense Difference		<u>9,300</u>	

Change in Net Position of Governmental Activities	\$	<u><u>398,492</u></u>	
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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, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH BUDGET
REVENUES				
General Property Taxes	\$ 345,155	\$ 345,155	\$ 331,807	\$ (13,348)
Licenses and Permits	2,000	2,000	3,301	1,301
Intergovernmental Aid	256,375	256,375	344,837	88,462
Charges for Services	29,350	29,350	24,723	(4,627)
Fines and Forfeits	600	600	1,335	735
Contributions and Donations	2,000	2,000	52,215	50,215
Interest	10	10	883	873
Insurance Refunds and Dividends	5,000	5,000	7,110	2,110
Miscellaneous	500	500	11,700	11,200
TOTAL REVENUES	<u>\$ 640,990</u>	<u>\$ 640,990</u>	<u>\$ 777,911</u>	<u>\$ 136,921</u>
EXPENDITURES				
General Government	\$ 119,210	\$ 119,210	\$ 170,144	\$ (50,934)
Public Safety	84,447	84,447	59,671	24,776
Public Works	241,675	241,675	212,717	28,958
Recreation	94,650	94,650	128,633	(33,983)
Miscellaneous	23,306	23,306	26,527	(3,221)
TOTAL EXPENDITURES	<u>\$ 563,288</u>	<u>\$ 563,288</u>	<u>\$ 597,692</u>	<u>\$ (34,404)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 77,702</u>	<u>\$ 77,702</u>	<u>\$ 180,219</u>	<u>\$ 102,517</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Property	\$ -	\$ -	\$ 19,599	\$ 19,599
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(72,000)	(72,000)	(76,000)	(4,000)
Long-Term Debt Paid	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (72,000)</u>	<u>\$ (72,000)</u>	<u>\$ (56,401)</u>	<u>\$ 15,599</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,702</u>	<u>\$ 5,702</u>	<u>\$ 123,818</u>	<u>\$ 118,116</u>
FUND BALANCE - January 1	<u>407,655</u>	<u>407,655</u>	<u>407,655</u>	<u>-</u>
FUND BALANCE - December 31	<u><u>\$ 413,357</u></u>	<u><u>\$ 413,357</u></u>	<u><u>\$ 531,473</u></u>	<u><u>\$ 118,116</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

CITY OF IVANHOE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	LIQUOR FUND	WATER FUND	SEWER FUND	GARBAGE FUND
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 70,061	\$ 119,956	\$ 28,831	\$ 27,970
Restricted Cash	-	34,227	144,738	-
Accounts Receivable	-	18,404	15,623	4,538
Inventories	35,446	-	-	-
Due from Other Funds	-	21,180	-	-
Prepaid Expense	4,342	706	1,244	-
Total Current Assets	<u>\$ 109,849</u>	<u>\$ 194,473</u>	<u>\$ 190,436</u>	<u>\$ 32,508</u>
CAPITAL ASSETS				
Land	\$ 817	\$ 7,250	\$ 14,500	\$ -
Buildings	256,501	-	-	-
Improvements Other than Buildings	-	1,790,423	2,280,592	-
Furniture and Equipment	129,881	23,158	32,883	-
Total Capital Assets	<u>\$ 387,199</u>	<u>\$ 1,820,831</u>	<u>\$ 2,327,975</u>	<u>\$ -</u>
Less: Accumulated Depreciation	(328,330)	(878,340)	(787,556)	-
Net Capital Assets	<u>\$ 58,869</u>	<u>\$ 942,491</u>	<u>\$ 1,540,419</u>	<u>\$ -</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources from PERA (GERF)	\$ 26,700	\$ 8,900	\$ 4,450	\$ -
Total Deferred Outflows of Resources	<u>\$ 26,700</u>	<u>\$ 8,900</u>	<u>\$ 4,450</u>	<u>\$ -</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 195,418</u>	<u>\$ 1,145,864</u>	<u>\$ 1,735,305</u>	<u>\$ 32,508</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 2,197	\$ 11,815	\$ 15	\$ 2,723
Salaries and Related Taxes Payable	6,455	1,077	646	-
Accrued Compensated Absences	3,321	1,499	899	-
Sales Tax Payable	4,040	150	-	286
Unearned Revenue	-	2,452	-	-
Due To Other Funds	232,239	-	-	-
Accrued Interest Payable	-	13,999	43,431	-
Customer Deposits	-	-	-	-
Current Amount of Long-term Debt	-	40,697	33,303	-
Total Current Liabilities	<u>\$ 248,252</u>	<u>\$ 71,689</u>	<u>\$ 78,294</u>	<u>\$ 3,009</u>
LONG-TERM LIABILITIES				
Advances from Other Funds	\$ -	\$ -	\$ -	\$ -
Net Pension Liability	38,563	12,854	6,427	-
Notes/Bonds Payable	-	612,331	1,579,462	-
Less: Current Amount	-	(40,697)	(33,303)	-
Net Long-Term Liabilities	<u>\$ 38,563</u>	<u>\$ 584,488</u>	<u>\$ 1,552,586</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 286,815</u>	<u>\$ 656,177</u>	<u>\$ 1,630,880</u>	<u>\$ 3,009</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources from PERA (GERF)	\$ 39,072	\$ 13,024	\$ 6,512	\$ -
Total Deferred Inflows of Resources	<u>\$ 39,072</u>	<u>\$ 13,024</u>	<u>\$ 6,512</u>	<u>\$ -</u>
NET POSITION				
Net Investment in Capital Assets	\$ 58,869	\$ 330,160	\$ -	\$ -
Restricted	-	34,227	144,738	-
Unrestricted	(189,338)	112,276	(46,825)	29,499
Total Net Position	<u>\$ (130,469)</u>	<u>\$ 476,663</u>	<u>\$ 97,913</u>	<u>\$ 29,499</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
	<u>\$ 195,418</u>	<u>\$ 1,145,864</u>	<u>\$ 1,735,305</u>	<u>\$ 32,508</u>

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS TYPE ACTIVITIES
ENTERPRISE FUNDS

EDA HOUSING FUND	TOTAL
\$ 121,946	\$ 368,764
9,250	188,215
-	38,565
-	35,446
-	21,180
3,455	9,747
<u>\$ 134,651</u>	<u>\$ 661,917</u>
\$ -	\$ 22,567
1,035,787	1,292,288
-	4,071,015
-	185,922
<u>\$ 1,035,787</u>	<u>\$ 5,571,792</u>
(937,055)	(2,931,281)
<u>\$ 98,732</u>	<u>\$ 2,640,511</u>
\$ -	\$ 40,050
<u>\$ -</u>	<u>\$ 40,050</u>
<u>\$ 233,383</u>	<u>\$ 3,342,478</u>
\$ -	\$ 16,750
-	8,178
-	5,719
-	4,476
-	2,452
13,075	245,314
-	57,430
9,250	9,250
39,196	113,196
<u>\$ 61,521</u>	<u>\$ 462,765</u>
\$ 97,169	\$ 97,169
-	57,844
283,374	2,475,167
(39,196)	(113,196)
<u>\$ 341,347</u>	<u>\$ 2,516,984</u>
<u>\$ 402,868</u>	<u>\$ 2,979,749</u>
\$ -	\$ 58,608
<u>\$ -</u>	<u>\$ 58,608</u>
\$ -	\$ 389,029
9,250	188,215
(178,735)	(273,123)
<u>\$ (169,485)</u>	<u>\$ 304,121</u>
<u>\$ 233,383</u>	<u>\$ 3,342,478</u>

CITY OF IVANHOE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	LIQUOR FUND	WATER FUND	SEWER FUND	GARBAGE FUND
OPERATING REVENUES				
Gross Margins on Sales	\$ 248,358	\$ -	\$ -	\$ -
Utility Charges	-	152,547	134,543	35,699
Rent Income	-	-	-	-
Total Operating Revenues	<u>\$ 248,358</u>	<u>\$ 152,547</u>	<u>\$ 134,543</u>	<u>\$ 35,699</u>
OPERATING EXPENSES				
Salaries and Related Payroll Expense	\$ 171,588	\$ 37,841	\$ 22,865	\$ -
PERA	5,162	754	562	-
Advertising	1,789	-	-	-
Credit Card Fees	11,547	-	-	-
Professional Services	60	-	-	-
Supplies	8,200	-	-	-
Insurance	10,893	1,665	2,961	-
Water Purchased	-	51,738	-	-
Refuse Collection	-	-	-	35,472
Bonds, Licenses, and Tax	500	-	-	-
Office Supplies	-	1,375	-	-
Dues and Subscriptions	-	2,995	-	-
Lawn Care and Snow Removal	-	-	-	-
Repairs and Maintenance	5,411	12,728	14,519	-
Travel and Education	-	55	-	-
Utilities	17,376	839	1,947	-
Payment in Lieu of Taxes	-	-	-	-
Miscellaneous	7,007	4,517	4,740	-
Depreciation	10,975	38,257	57,587	-
Total Operating Expenses	<u>\$ 250,508</u>	<u>\$ 152,764</u>	<u>\$ 105,181</u>	<u>\$ 35,472</u>
OPERATING INCOME (LOSS)	<u>\$ (2,150)</u>	<u>\$ (217)</u>	<u>\$ 29,362</u>	<u>\$ 227</u>
NONOPERATING REVENUE (EXPENSES)				
PERA Grant - MN	\$ 1,801	\$ 600	\$ 300	\$ -
Interest Income	4	8	-	-
Miscellaneous Income	27,305	-	-	-
Debt Agent Fees	-	(5,950)	-	-
Interest Expense	-	(16,700)	(43,431)	-
Total Nonoperating Revenue (Expenses)	<u>\$ 29,110</u>	<u>\$ (22,042)</u>	<u>\$ (43,131)</u>	<u>\$ -</u>
CHANGE IN NET POSITION	<u>\$ 26,960</u>	<u>\$ (22,259)</u>	<u>\$ (13,769)</u>	<u>\$ 227</u>
NET POSITION - January 1	<u>(157,429)</u>	<u>498,922</u>	<u>111,682</u>	<u>29,272</u>
NET POSITION - December 31	<u><u>\$ (130,469)</u></u>	<u><u>\$ 476,663</u></u>	<u><u>\$ 97,913</u></u>	<u><u>\$ 29,499</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS TYPE ACTIVITIES
ENTERPRISE FUNDS

EDA HOUSING FUND		TOTAL
\$	-	\$ 248,358
	-	322,789
	117,646	117,646
\$	<u>117,646</u>	<u>\$ 688,793</u>
\$	1,370	\$ 233,664
	82	6,560
	-	1,789
	-	11,547
	725	785
	-	8,200
	8,627	24,146
	-	51,738
	-	35,472
	-	500
	-	1,375
	-	2,995
	9,447	9,447
	46,695	79,353
	-	55
	-	20,162
	5,995	5,995
	135	16,399
	37,332	144,151
\$	<u>110,408</u>	<u>\$ 654,333</u>
\$	<u>7,238</u>	<u>\$ 34,460</u>
\$	-	\$ 2,701
	478	490
	154	27,459
	-	(5,950)
	(5,630)	(65,761)
\$	<u>(4,998)</u>	<u>\$ (41,061)</u>
\$	2,240	\$ (6,601)
	(171,725)	310,722
\$	<u>(169,485)</u>	<u>304,121</u>

CITY OF IVANHOE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	LIQUOR FUND	WATER FUND	SEWER FUND	GARBAGE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 565,785	\$ 153,982	\$ 134,499	\$ 35,460
Cash Paid to Suppliers	(380,567)	(74,508)	(24,017)	(35,461)
Cash Paid for Payroll	(146,590)	(39,350)	(23,771)	-
Net Cash Flow from Operating Activities	\$ 38,628	\$ 40,124	\$ 86,711	\$ (1)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash Paid for Transfers to Other Funds	\$ (60,746)	\$ (313)	\$ (540)	\$ -
Cash Received from Transfers from Other Funds	-	252,200	-	-
Net Cash Flow from Noncapital Financing Activities	\$ (60,746)	\$ 251,887	\$ (540)	\$ -
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash Paid for Long-Term Debt Retirements	\$ -	\$ (56,265)	\$ (42,735)	\$ -
Cash Received for Long-Term Debt	-	125,000	-	-
Cash Paid for Interest on Debt	-	(16,038)	(44,437)	-
Cash Paid for Purchase of Fixed Assets	-	(72,636)	-	-
Net Cash Flow Used in Capital and Related Financing Activities	\$ -	\$ (19,939)	\$ (87,172)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Interest on Investments	\$ 4	\$ 8	\$ -	\$ -
Net Cash Flow from Investing Activities	\$ 4	\$ 8	\$ -	\$ -
NET INCREASE (DECREASE) IN CASH	\$ (22,114)	\$ 272,080	\$ (1,001)	\$ (1)
BEGINNING CASH - January 1	92,175	(117,897)	174,570	27,971
ENDING CASH - December 31	\$ 70,061	\$ 154,183	\$ 173,569	\$ 27,970
ANALYSIS OF CASH - December 31				
Cash in Checking	\$ 70,061	\$ 154,183	\$ 173,569	\$ 27,970
Total	\$ 70,061	\$ 154,183	\$ 173,569	\$ 27,970
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (2,150)	\$ (217)	\$ 29,362	\$ 227
Other Revenue	29,106	600	300	-
Other Expense	-	(5,950)	-	-
Noncash Items Included in Net Income:				
Depreciation	10,975	38,257	57,587	-
(Increase) Decrease in Accounts Receivable	4,374	(1,017)	(44)	(239)
(Increase) Decrease in Inventories	(4,725)	-	-	-
(Increase) Decrease in Prepaid Expense	(293)	199	135	-
(Increase) Decrease in Deferred Outflows of Resources from PERA	15,785	5,262	2,631	-
Increase (Decrease) in Accounts Payable	40	7,787	15	16
Increase (Decrease) in Payroll Withholdings and Accruals	2,835	29	17	-
Increase (Decrease) in Accrued Vacation and Sick Pay	3,321	317	190	-
Increase (Decrease) in Sales Tax Payable	247	(632)	-	(5)
Increase (Decrease) in Unearned Revenue	-	2,452	-	-
Increase (Decrease) in Net Pension Liability	(20,152)	(6,718)	(3,359)	-
Increase (Decrease) in Deferred Inflows of Resources from PERA	(735)	(245)	(123)	-
Increase (Decrease) in Customer Deposits	-	-	-	-
Net Cash Flow Provided by Operating Activities	\$ 38,628	\$ 40,124	\$ 86,711	\$ (1)

The Accompanying Notes are an Integral Part of the Financial Statements

BUSINESS TYPE ACTIVITIES
ENTERPRISE FUNDS

EDA HOUSING FUND		TOTAL	
\$	117,050	\$	1,006,776
	(75,687)		(590,240)
	(1,452)		(211,163)
\$	<u>39,911</u>	\$	<u>205,373</u>
\$	-	\$	(61,599)
	-		252,200
\$	<u>-</u>	\$	<u>190,601</u>
\$	(38,464)		(137,464)
	-		125,000
	(5,630)		(66,105)
	-		(72,636)
\$	<u>(44,094)</u>	\$	<u>(151,205)</u>
\$	478	\$	490
\$	<u>478</u>	\$	<u>490</u>
\$	(3,705)	\$	245,259
	134,901		311,720
\$	<u>131,196</u>	\$	<u>556,979</u>
\$	131,196		556,979
\$	<u>131,196</u>	\$	<u>556,979</u>
\$	7,238	\$	34,460
	154		30,160
	-		(5,950)
	37,332		144,151
	-		3,074
	-		(4,725)
	276		317
	-		23,678
	(4,339)		3,519
	-		2,881
	-		3,828
	-		(390)
	-		2,452
	-		(30,229)
	-		(1,103)
	(750)		(750)
\$	<u>39,911</u>	\$	<u>205,373</u>

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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 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 leaving in good standing will be compensated for vacation leave earned but not used. Therefore, a liability is recorded for accumulated vacation at December 31, 2024. 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, 2024.

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.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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 financial institution's banking day, not covered by insurance or bonds.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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 standby 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, 2024, the carrying amount of the City's deposits with financial institutions was \$1,323,430 and the bank balance was \$1,353,838. The bank balance is categorized as follows:

Insured by FDIC insurance	\$ 462,731
Covered by collateral assigned to City and not redeposited in the financial institution furnishing the collateral	891,107
Total Bank Balance	<u>\$ 1,353,838</u>

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 possession 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, 2024, the City did not own any investments that required disclosure regarding interest rate risk, credit risk, or custodial credit risk.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	BALANCE 1-01-24	ADDITIONS	TRANSFERS/ DISPOSALS	BALANCE 12-31-24
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	\$ 152,356	\$ 33,006	\$ (2,236)	\$ 183,126
Construction In Process	-	5,994	-	5,994
Total Capital Assets Not Being Depreciated	\$ 152,356	\$ 39,000	\$ (2,236)	\$ 189,120
Capital Assets Being Depreciated				
Land Improvements	\$ 189,794	\$ -	\$ -	\$ 189,794
Buildings	477,208	-	(15,647)	461,561
Furniture and Equipment	1,419,416	205,619	(119,129)	1,505,906
Infrastructure	2,752,050	-	-	2,752,050
Total Capital Assets Being Depreciated	\$ 4,838,468	\$ 205,619	\$ (134,776)	\$ 4,909,311
Less Accumulated Depreciation For				
Land Improvements	\$ (175,088)	\$ (329)	\$ -	\$ (175,417)
Buildings	(320,037)	(10,854)	-	(330,891)
Furniture and Equipment	(1,173,678)	(48,451)	113,033	(1,109,096)
Infrastructure	(1,714,453)	(28,533)	-	(1,742,986)
Total Accumulated Depreciation	\$ (3,383,256)	\$ (88,167)	\$ 113,033	\$ (3,358,390)
Total Capital Assets, Being Depreciated, Net	\$ 1,455,212			\$ 1,550,921
Governmental Activities Capital Assets, Net	\$ 1,607,568			\$ 1,740,041

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

Public Safety	\$ 32,440
Public Works	41,750
Recreation	13,977
Total Governmental Activities Depreciation Expense	\$ 88,167

	BALANCE 1-01-24	ADDITIONS	DISPOSALS	BALANCE 12-31-24
BUSINESS-TYPE ACTIVITIES:				
Capital Assets Not Being Depreciated				
Land	\$ 22,567	\$ -	\$ -	\$ 22,567
Capital Assets Being Depreciated				
Land Improvements	\$ 3,998,379	\$ 72,636	\$ -	\$ 4,071,015
Buildings	1,292,288	-	-	1,292,288
Furniture and Equipment	185,922	-	-	185,922
Total Capital Assets Being Depreciated	\$ 5,476,589	\$ 72,636	\$ -	\$ 5,549,225
Less Accumulated Depreciation For				
Land Improvements	\$ (1,552,804)	\$ (91,148)	\$ -	\$ (1,643,952)
Buildings	(1,120,777)	(39,770)	-	(1,160,547)
Furniture and Equipment	(113,549)	(13,233)	-	(126,782)
Total Accumulated Depreciation	\$ (2,787,130)	\$ (144,151)	\$ -	\$ (2,931,281)
Total Capital Assets, Being Depreciated, Net	\$ 2,689,459			\$ 2,617,944
Business-Type Activities Capital Assets, Net	\$ 2,712,026			\$ 2,640,511

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

Water Fund	\$ 38,257
Sewer Fund	57,587
Municipal Liquor Fund	10,975
EDA Housing Fund	37,332
Total Business-Type Activities Depreciation Expense	\$ 144,151

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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 2024 was \$5,630.

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

<u>YEAR OF PAYMENT</u>	Business-Type Activities		
	PRINCIPAL	INTEREST	TOTAL
2025	\$ 39,196	\$ 4,898	\$ 44,094
2026	39,925	4,169	44,094
2027	40,668	3,426	44,094
2028	41,417	2,677	44,094
2029	42,196	1,898	44,094
2030-2031	79,972	428	80,400
	<u>\$ 283,374</u>	<u>\$ 17,496</u>	<u>\$ 300,870</u>

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 2024 was \$55,918.

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

<u>YEAR OF PAYMENT</u>	Business-Type Activities		
	PRINCIPAL	INTEREST	TOTAL
2025	\$ 42,000	\$ 54,814	\$ 96,814
2026	43,000	53,817	96,817
2027	44,000	52,635	96,635
2028	45,000	51,425	96,425
2029	46,000	50,187	96,187
2030-2034	253,000	231,110	484,110
2035-2039	288,000	194,453	482,453
2040-2044	330,000	152,625	482,625
2045-2049	380,000	104,500	484,500
2050-2054	433,000	49,500	482,500
2055	87,793	2,613	90,406
	<u>\$ 1,991,793</u>	<u>\$ 997,679</u>	<u>\$ 2,989,472</u>

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 2024 was \$1,050.

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

<u>YEAR OF PAYMENT</u>	Governmental Activities		
	PRINCIPAL	INTEREST	TOTAL
2025	\$ 10,000	\$ 750	\$ 10,750
2026	10,000	450	10,450
2027	10,000	150	10,150
	<u>\$ 30,000</u>	<u>\$ 1,350</u>	<u>\$ 31,350</u>

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 2024 was \$2,625.

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 2024 was \$400.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM LIABILITIES Cont.

General Obligation Revenue Notes Cont.

During 2024, the City issued the General Obligation Revenue Note, Series 2024A in the amount of \$125,000. The funds were used for reconstruction of a portion of the watermain. These bonds will be repaid with utility charges received specifically for the purpose of paying the debt. No principal or interest payments were required in 2024.

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

YEAR OF PAYMENT	Business-Type Activities		
	PRINCIPAL	INTEREST	TOTAL
2025	\$ 32,000	\$ 6,297	\$ 38,297
2026	36,000	6,638	42,638
2027	36,000	5,348	41,348
2028	12,000	4,410	16,410
2029	12,000	3,822	15,822
2030-2034	72,000	9,163	81,163
	<u>\$ 200,000</u>	<u>\$ 35,678</u>	<u>\$ 235,678</u>

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 2024 was \$627.

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

YEAR OF PAYMENT	Governmental Activities		
	PRINCIPAL	INTEREST	TOTAL
2025	\$ 8,511	\$ 327	\$ 8,838
	<u>\$ 8,511</u>	<u>\$ 327</u>	<u>\$ 8,838</u>

Contract for Deed

The Ivanhoe EDA entered into a contract for deed with the Lincoln County HRA for the purchase of 4.85 acres of land. The total purchase price was \$33,006 dollars. \$3,006 was paid at closing with the remaining \$30,000 plus simple interest of 2% to be paid in ten annual installments of \$3,340 commencing on August 1, 2025 with final payment due August 1, 2034

The annual debt service requirements to maturity for the contract for deed are as follows:

YEAR OF PAYMENT	Governmental Activities		
	PRINCIPAL	INTEREST	TOTAL
2025	\$ 2,736	\$ 604	\$ 3,340
2026	2,792	548	3,340
2027	2,848	492	3,340
2028	2,906	434	3,340
2029	2,965	375	3,340
2030-2034	15,753	947	16,700
	<u>\$ 30,000</u>	<u>\$ 3,400</u>	<u>\$ 33,400</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	BALANCE 1-01-24	ADDITIONS	PAYMENTS/ REDUCTIONS	BALANCE 12-31-24	CURRENT AMOUNT
<u>Governmental Activities</u>					
General Obligation Notes	\$ 40,000	\$ -	\$ 10,000	\$ 30,000	\$ 10,000
Notes Payable	16,722	-	8,211	8,511	8,511
Contract for Deed	-	30,000	-	30,000	2,736
Total Amortizable Debt	\$ 56,722	\$ 30,000	\$ 18,211	\$ 68,511	\$ 21,247
Compensated Absences	14,146	-	1,302	12,844	12,844
	<u>\$ 70,868</u>	<u>\$ 30,000</u>	<u>\$ 19,513</u>	<u>\$ 81,355</u>	<u>\$ 34,091</u>

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

5. LONG-TERM LIABILITIES Cont.

Changes in Long-term Liabilities Cont.

	BALANCE 1-01-24	ADDITIONS	PAYMENTS/ REDUCTIONS	BALANCE 12-31-24	CURRENT AMOUNT
<u>Business-type Activities</u>					
General Obligation					
Revenue Bonds	\$ 2,031,793	\$ -	\$ 40,000	\$ 1,991,793	\$ 42,000
Revenue Bonds	321,838	-	38,464	283,374	39,196
General Obligation					
Revenue Notes	134,000	125,000	59,000	200,000	32,000
Total Amortizable Debt	\$ 2,487,631	\$ 125,000	\$ 137,464	\$ 2,475,167	\$ 113,196
Compensated Absences	1,891	3,828	-	5,719	5,719
	<u>\$ 2,489,522</u>	<u>\$ 128,828</u>	<u>\$ 137,464</u>	<u>\$ 2,480,886</u>	<u>\$ 118,915</u>

Bonds and notes payable at December 31, 2024, 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%	\$ 30,000
G.O. Utility Revenue Bond, Series 2015	\$ 2,294,000	8-25-55	2.75%	1,991,793
G.O. Utility Revenue Notes, Series 2012A	\$ 298,000	2-01-27	3.00%	75,000
G.O. Water Revenue Note, Series 2024A	\$ 125,000	2-01-34	4.90%	125,000
Governmental Housing Gross Revenue				
Refunding Bonds, Series 2001	\$ 895,000	10-01-31	Various	283,374
Total General Obligation and Revenue Bonds				\$ 2,505,167
Notes Payable:				
USDA-Rural Development Note Payable	\$ 100,000	10-04-25	3.75%	\$ 8,511
Contract for Deed - Lincoln County HRA	\$ 30,000	8-01-34	2.00%	\$ 30,000
Total Bonds, Notes Payable, and Contract for Deed				<u>\$ 2,543,678</u>

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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Retirement Plan (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLANS Cont.

B. Benefits Provided Cont.

1. General Employees Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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%. The 2024 annual increase was 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.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increases by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

Benefit increases are provided to benefit recipients each 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 prorated increase.

C. Contributions

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.5 percent for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$26,204. 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 2024 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, 2024, were \$0. 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, 2024, the City reported a liability of \$128,542 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 \$3,324.

City of Ivanhoe's proportionate share of the net pension liability	\$128,542
State of Minnesota's proportionate share of the net pension liability associated with the City of Ivanhoe	3,324
Total	<u>\$131,866</u>

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLANS Cont.

D. Pension Costs Cont.

The net pension liability was measured as of June 30, 2024, 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 payroll paid dates from July 1, 2023, through June 30, 2024, 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 .0035 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$6,572 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$89 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$5,914 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City reported 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	\$ 12,046	\$ -
Changes in Actuarial Assumptions	577	48,887
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	34,549
Changes in proportion	16,151	965
Employer Contributions Subsequent to the Measurement Date	14,387	-
TOTAL	\$ 43,161	\$ 84,401

The \$14,387 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, 2025. 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
2025	\$ (26,183)
2026	(3,493)
2027	(16,098)
2028	(9,853)

2. Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$0 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.00 percent at the end of the measurement period and .0042 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. 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 net pension liability associated with the City totaled \$0.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLANS Cont.

D. Pension Costs Cont.

For the year ended December 31, 2024, the entity recognized pension expense of \$0 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$0 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$0 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2024, the City reported 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	\$ 15,310	\$ -
Changes in Actuarial Assumptions	62,186	81,369
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,191	-
Changes in proportion	-	63,697
Employer Contributions Subsequent to the Measurement Date	-	-
TOTAL	\$ 78,687	\$ 145,066

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
2025	\$ (11,891)
2026	5,704
2027	(17,296)
2028	(30,808)
2029	(12,088)

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 for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

Inflation is assumed to be 2.25% for the General Employees Plan and 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.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLANS Cont.

F. Actuarial Methods and Assumptions Cont.

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 in annual increments 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 table. The tables are adjusted slightly to fit PERA's experience

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase of the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provision:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Police and Fire Fund

Changes in Plan Provisions

- The State contribution of \$9 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

G. Discount Rate

The discount rate for used to measure the total pension liability in 2024 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.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLANS Cont.

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%	\$ 280,756	6.00%	\$ -
Current Discount Rate	7.00%	\$ 128,542	7.00%	\$ -
1% Higher	8.00%	\$ 3,332	8.00%	\$ -

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, 2024, interfund balances are as follows:

DUE TO/FROM OTHER FUNDS

General Fund:

Due from Economic Development Fund	\$ 10,942
Due from Liquor Fund	226,266
	<u>\$ 237,208</u>

EDA Fund:

Due from EDA Housing Fund	\$ 4,000
Due from Small Cities Development Fund	3,636
	<u>\$ 7,636</u>

Small Cities Development Fund:

Due from General Fund	\$ 81,736
Due from Economic Development Fund	804
Due from EDA Housing Fund	9,075
Due from Liquor Fund	4,793
	<u>\$ 96,408</u>

Water Fund:

Due from Small Cities Development Fund	\$ 20,000
Due from Liquor Fund	1,180
	<u>\$ 21,180</u>

Total Due To/From Other Funds

\$ 362,432

ADVANCES FROM/TO OTHER FUNDS

General Fund:

Due from EDA Housing Fund	\$ 97,169
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Small Cities Development Fund:

Due from General Fund	\$ 39,089
Total Advances From/To Other Funds	<u>\$ 136,258</u>

The above interfund balances related to eliminating cash deficits.

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

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	34,000
General Fund to Library Fund	32,000
Total Governmental Funds	<u>\$ 76,000</u>

9. FUND BALANCE - CLASSIFICATION

At December 31, 2024, a summary of the governmental fund balance classifications are as follows:

	General Fund	Fire Fund	Ambulance Fund
Nonspendable:			
Prepaid items	\$ 12,787	\$ 2,491	\$ 969
Advances to Other Funds	97,169	-	-
	<u>\$ 109,956</u>	<u>\$ 2,491</u>	<u>\$ 969</u>
Restricted for:			
Debt Service	\$ -	\$ 8,838	\$ -
Allowable Expenses	-	-	59,678
	<u>\$ -</u>	<u>\$ 8,838</u>	<u>\$ 59,678</u>
Committed for:			
Fire Hall Payment	\$ -	\$ 10,750	\$ -
Assigned to:			
Equipment Replacement/ Unexpected Expenses	<u>\$ 10,260</u>	<u>\$ 136,870</u>	<u>\$ 34,062</u>
	<u>\$ 10,260</u>	<u>\$ 136,870</u>	<u>\$ 34,062</u>
Unassigned	<u>\$ 411,257</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ 531,473</u>	<u>\$ 158,949</u>	<u>\$ 94,709</u>
	Economic Development Fund	Small Cities Development Fund	Library Fund
Nonspendable:			
Prepaid items	\$ 763	\$ -	\$ 659
Advances to Other Funds	-	39,089	-
	<u>\$ 763</u>	<u>\$ 39,089</u>	<u>\$ 659</u>
Assigned to:			
Capital Improvements	\$ -	\$ 199,277	\$ -
Economic Development	103,593	-	-
Library Services	-	-	22,988
	<u>\$ 103,593</u>	<u>\$ 199,277</u>	<u>\$ 22,988</u>
Unassigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ 104,356</u>	<u>\$ 238,366</u>	<u>\$ 23,647</u>

10. DESIGNATED NET POSITION

The Council designated a portion of Water Fund unrestricted net position for improvements and repairs. As of December 31, 2024, the following amounts have been designated in anticipation of future use:

System Improvements	\$ 204,721
Water Tower Repairs	20,812
	<u>\$ 225,533</u>

CITY OF IVANHOE
NOTES TO FINANCIAL STATEMENTS

11. 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.

12. SUBSEQUENT EVENTS

The City has been awarded a Small Cities grant through the Minnesota Department of Employment and Economic Development in the amount of \$599,150. Grant funds are required to be distributed to qualified recipients through loans which are to be used for eligible improvements to owner-occupied housing and multi-family rental housing. The grant period began on September 10, 2024 and will end on September 30, 2027. No loans were distributed during 2024.

The City has evaluated subsequent events through August 11, 2025, 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, 2024

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, 2024	0.0035%	\$128,542	\$3,324	\$131,866	\$293,787	44.88%	89.08%
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, 2024	-	-	-	-	-	-	90.17%
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, 2024

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, 2024	\$26,204	\$26,204	\$0	\$349,317	7.5%
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, 2024	-	-	-	-	-
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".

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Excess of Expenditures over Appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the General Fund.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Expenditures over Appropriations</u>
General	\$ 563,288	\$ 597,692	\$ 34,404

Note 2: Changes in Net Pension Liabilities and Related Ratios

General Employees Fund:

2024 Changes

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

General Employees Fund Cont:

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.

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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

General Employees Fund Cont:

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.

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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Police and Fire Plan

2024 Changes

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Police and Fire Plan Cont.

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.
- 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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Police and Fire Plan Cont.

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.

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.

CITY OF IVANHOE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Police and Fire Plan Cont.

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.

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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash in Checking	\$ 292,625	\$ 209,073
Due from Other Governments	34,126	7,845
Delinquent Taxes Receivable	30,645	16,090
Less: Allowance for Delinquent Taxes	(30,645)	(16,090)
Delinquent Special Assessments Receivable	-	356
Due from Other Funds	237,208	379,974
Prepaid Expenses	12,787	14,607
Advances to Other Funds	<u>97,169</u>	<u>204,026</u>
TOTAL ASSETS	\$ <u>673,915</u>	\$ <u>815,881</u>
LIABILITIES		
Accounts Payable	\$ 15,121	\$ 18,372
Salaries and Related Taxes Payable	6,496	5,322
Unearned Revenue	-	58,029
Due to Other Funds	81,736	287,058
Advances from Other Funds	<u>39,089</u>	<u>39,089</u>
Total Liabilities	\$ <u>142,442</u>	\$ <u>407,870</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows from Delinquent Special Assessments	<u>\$ -</u>	<u>\$ 356</u>
FUND BALANCE		
Nonspendable	\$ 109,956	\$ 218,633
Assigned	10,260	10,260
Unassigned	<u>411,257</u>	<u>178,762</u>
Total Fund Balance	\$ <u>531,473</u>	\$ <u>407,655</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ <u>673,915</u>	\$ <u>815,881</u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH BUDGET	2023 ACTUAL
REVENUES				
GENERAL PROPERTY TAXES				
Property Taxes	\$ 345,155	\$ 331,807	\$ (13,348)	\$ 302,761
Total General Property Taxes	\$ 345,155	\$ 331,807	\$ (13,348)	\$ 302,761
LICENSES AND PERMITS				
Business and Non Business	\$ 2,000	\$ 3,301	\$ 1,301	\$ 3,349
Total Licenses and Permits	\$ 2,000	\$ 3,301	\$ 1,301	\$ 3,349
INTERGOVERNMENTAL REVENUES				
Local Government Aid	\$ 247,125	\$ 247,125	\$ -	\$ 230,190
Market Value Credit Aid	250	354	104	341
Police Aid	9,000	5,092	(3,908)	9,473
Other State Aids	-	14,964	14,964	24,024
Federal Grants	-	77,302	77,302	-
Total Intergovernmental Revenues	\$ 256,375	\$ 344,837	\$ 88,462	\$ 264,028
CHARGES FOR SERVICES				
Community Center Rent	\$ 350	\$ 450	\$ 100	\$ 535
Rent Income	14,000	8,979	(5,021)	5,421
Swimming Pool Receipts	15,000	15,294	294	16,055
Total Charges for Services	\$ 29,350	\$ 24,723	\$ (4,627)	\$ 22,011
FINES AND FORFEITS				
Administrative Fees	\$ 600	\$ 1,335	\$ 735	\$ 50
Total Fines and Forfeits	\$ 600	\$ 1,335	\$ 735	\$ 50
MISCELLANEOUS REVENUES				
Interest	\$ 10	\$ 883	\$ 873	\$ 6
Contributions and Donations	2,000	52,215	50,215	20,385
Refunds and Reimbursements	5,000	7,110	2,110	12,369
Miscellaneous	500	11,700	11,200	8,132
Total Miscellaneous Revenues	\$ 7,510	\$ 71,908	\$ 64,398	\$ 40,892
TOTAL REVENUES	\$ 640,990	\$ 777,911	\$ 136,921	\$ 633,091
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Council Wages	\$ 9,397	\$ 6,275	\$ 3,122	\$ 8,045
Council FICA and Medicare	-	480	(480)	581
Council Miscellaneous	100	132	(32)	2,932
Total Legislative	\$ 9,497	\$ 6,887	\$ 2,610	\$ 11,558
Election and Voter Registration				
Election Salaries	\$ 3,000	\$ 4,698	\$ (1,698)	\$ 585
Election FICA and Medicare	-	299	(299)	45
Election PERA Expense	-	132	(132)	-
Election Supplies and Expense	1,000	609	391	22
Total Election and Voter Registration	\$ 4,000	\$ 5,738	\$ (1,738)	\$ 652
Financial Administration				
Financial Administration Wages	\$ 64,413	\$ 84,628	\$ (20,215)	\$ 63,931
Financial Administration FICA and Medicare	-	6,619	(6,619)	4,958
Financial Administration PERA Expense	-	6,327	(6,327)	4,904
Employee Benefits	-	26,119	(26,119)	14,372
Office Expense	12,500	10,473	2,027	18,079
Communications	4,600	2,097	2,503	8,775
Licenses and Dues	3,600	1,487	2,113	827
Professional Services	19,000	19,769	(769)	12,309
Miscellaneous	1,600	-	1,600	-
Total Financial Administration	\$ 105,713	\$ 157,519	\$ (51,806)	\$ 128,155
Total General Government	\$ 119,210	\$ 170,144	\$ (50,934)	\$ 140,365

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH BUDGET	2023 ACTUAL
EXPENDITURES Cont.				
PUBLIC SAFETY				
Police				
Salaries	\$ 55,000	\$ -	\$ 55,000	\$ 37,619
FICA and Medicare	825	-	825	577
PERA Expense	11,422	-	11,422	5,092
Employee Benefits	-	-	-	10,254
Contracted Services	-	53,733	(53,733)	-
Gas and Oil	3,000	3,793	(793)	1,517
Communications	1,500	3	1,497	1,199
Insurance	6,000	-	6,000	2,494
Professional Services	4,000	1,372	2,628	4,346
Training	300	-	300	35
Repairs & Maintenance	1,000	650	350	675
Miscellaneous	1,400	120	1,280	240
Total Police	\$ 84,447	\$ 59,671	\$ 24,776	\$ 64,048
Total Public Safety	\$ 84,447	\$ 59,671	\$ 24,776	\$ 64,048
PUBLIC WORKS				
Highways and Streets				
Public Works Wages	\$ 61,800	\$ 80,756	\$ (18,956)	\$ 74,634
FICA and Medicare	5,100	6,172	(1,072)	5,610
PERA Expense	5,100	5,130	(30)	5,104
Employee Benefits	20,000	14,703	5,297	27,647
Supplies	-	21,748	(21,748)	34,870
Insurance	9,000	4,453	4,547	4,702
Repairs and Maintenance	85,000	36,283	48,717	25,695
Miscellaneous	2,175	4,988	(2,813)	10,240
Snow Removal	2,000	2,644	(644)	3,521
Street Cleaning	500	-	500	3,509
Street Lighting	15,000	12,851	2,149	12,028
Utilities	6,000	5,090	910	4,629
Capital Outlay	30,000	17,899	12,101	-
Total Highways and Streets	\$ 241,675	\$ 212,717	\$ 28,958	\$ 212,189
Total Public Works	\$ 241,675	\$ 212,717	\$ 28,958	\$ 212,189
CULTURE AND RECREATION				
Community Center				
Community Center Wages	\$ 2,500	\$ 10,854	\$ (8,354)	\$ -
FICA and Medicare	-	850	(850)	-
PERA Expense	-	717	(717)	-
Employee Benefits	-	89	(89)	-
Supplies and Maintenance	5,700	375	5,325	3,648
Total Community Center	\$ 8,200	\$ 12,885	\$ (4,685)	\$ 3,648
Recreation and Parks				
Swimming Pool				
Pool Wages	\$ 21,950	\$ 24,392	\$ (2,442)	\$ 19,403
FICA and Medicare	1,500	1,795	(295)	1,484
Supplies and Maintenance	14,500	10,574	3,926	10,910
Training and Instruction	-	365	(365)	-
Utilities	6,000	4,687	1,313	5,442
Insurance	-	5,125	(5,125)	4,666
Miscellaneous	2,000	3,183	(1,183)	1,965
Capital Outlay	-	45,172	(45,172)	-
Total Swimming Pool	\$ 45,950	\$ 95,293	\$ (49,343)	\$ 43,870

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH BUDGET	2023 ACTUAL
EXPENDITURES Cont.				
CULTURE AND RECREATION (Cont.)				
Park				
Park Wages	\$ 5,000	\$ -	\$ 5,000	\$ -
FICA and Medicare	500	-	500	-
Utilities	4,500	5,182	(682)	3,669
Tree Care and Removal	6,000	2,895	3,105	2,224
Operations and Maintenance	7,000	6,480	520	11,663
Insurance	7,000	4,896	2,104	3,684
Park Improvements	10,000	-	10,000	-
Miscellaneous	500	1,002	(502)	679
Total Parks	\$ 40,500	\$ 20,455	\$ 20,045	\$ 21,919
Total Culture and Recreation	\$ 94,650	\$ 128,633	\$ (33,983)	\$ 69,437
MISCELLANEOUS				
Unallocated General Insurance	\$ 8,000	\$ 10,481	\$ (2,481)	\$ 8,488
Unallocated General Miscellaneous Expense	15,306	16,046	(740)	137,951
Total Miscellaneous	\$ 23,306	\$ 26,527	\$ (3,221)	\$ 146,439
TOTAL EXPENDITURES	\$ 563,288	\$ 597,692	\$ (34,404)	\$ 632,478
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 77,702	\$ 180,219	\$ 102,517	\$ 613
OTHER FINANCING SOURCES (USES):				
Proceeds from Sale of Property	\$ -	\$ 19,599	\$ 19,599	\$ -
Transfers From Other Funds	-	-	-	106,000
Transfer to Other Funds	(72,000)	(76,000)	(4,000)	(72,000)
Total Other Financing Sources (Uses)	\$ (72,000)	\$ (56,401)	\$ 15,599	\$ 34,000
NET CHANGE IN FUND BALANCE	\$ 5,702	\$ 123,818	\$ 118,116	\$ 34,613
FUND BALANCE - January 1	407,655	407,655	-	373,042
FUND BALANCE - December 31	\$ 413,357	\$ 531,473	\$ 118,116	\$ 407,655

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
FIRE FUND
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash in Checking	\$ 168,708	\$ 212,543
Due from Other Funds	-	322
Prepaid Expenses	<u>2,491</u>	<u>2,375</u>
TOTAL ASSETS	<u>\$ 171,199</u>	<u>\$ 215,240</u>
LIABILITIES		
Accounts Payable	\$ 12,250	\$ 1,787
Due to Other Funds	-	47,200
Total Liabilities	<u>\$ 12,250</u>	<u>\$ 48,987</u>
FUND BALANCE		
Nonspendable	\$ 2,491	\$ 2,375
Restricted	8,838	8,838
Committed	10,750	11,050
Assigned	136,870	143,990
Total Fund Balance	<u>\$ 158,949</u>	<u>\$ 166,253</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 171,199</u>	<u>\$ 215,240</u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIRE FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024 BUDGET	2024 ACTUAL	VARIANCE WITH BUDGET	2023 ACTUAL
REVENUES				
INTERGOVERNMENTAL REVENUES				
State Fire Relief Aid	\$ 17,200	\$ 20,142	\$ 2,942	\$ 18,074
Supplemental Benefit Reimbursement	-	-	-	1,000
Other State Aids (DNR & Training)	5,000	7,682	2,682	7,101
Total Intergovernmental Revenues	\$ 22,200	\$ 27,824	\$ 5,624	\$ 26,175
CHARGES FOR SERVICES				
Township Contracts	\$ 35,000	\$ 51,033	\$ 16,033	\$ 31,878
Fire Calls	10,000	29,107	19,107	39,612
Total Charges for Services	\$ 45,000	\$ 80,140	\$ 35,140	\$ 71,490
MISCELLANEOUS REVENUES				
Donations	\$ 5,000	\$ 59,010	\$ 54,010	\$ 29,400
Other	-	-	-	5,500
Total Miscellaneous Revenues	\$ 5,000	\$ 59,010	\$ 54,010	\$ 34,900
TOTAL REVENUES	\$ 72,200	\$ 166,974	\$ 94,774	\$ 132,565
EXPENDITURES				
PUBLIC SAFETY				
Wages and Salaries	\$ 9,500	\$ 9,555	\$ (55)	\$ 6,745
FICA and Medicare	-	731	(731)	516
PERA	-	12	(12)	21
Local Remittance to Fire Relief Association	17,200	24,142	(6,942)	20,474
Insurance	4,400	6,019	(1,619)	5,108
Office Supplies	-	158	(158)	803
Operating Supplies (Includes Fuel)	9,000	7,347	1,653	4,756
Utilities	5,000	3,797	1,203	4,661
Professional Services - Other	500	975	(475)	1,779
Training	5,000	4,256	744	6,541
Building Repairs and Maintenance Supplies	-	302	(302)	-
Equipment Repairs and Maintenance Supplies	10,000	5,128	4,872	10,609
Small Tools and Minor Equipment	-	355	(355)	25,286
Dues and Subscriptions	-	280	(280)	230
Miscellaneous	750	585	165	959
Equipment	20,000	142,548	(122,548)	6,000
TOTAL EXPENDITURES	\$ 81,350	\$ 206,190	\$ (124,840)	\$ 94,488
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (9,150)	\$ (39,216)	\$ (30,066)	\$ 38,077
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Equipment	\$ -	\$ 17,800	\$ 17,800	\$ 3,700
Loan Principal Paid	(17,788)	(18,211)	(423)	(17,914)
Loan Interest Paid	(3,000)	(1,677)	1,323	(2,274)
Transfers from General Fund	30,000	34,000	4,000	30,000
Total Other Financing Sources (Uses)	\$ 9,212	\$ 31,912	\$ 22,700	\$ 13,512
NET CHANGE IN FUND BALANCE	\$ 62	\$ (7,304)	\$ (7,366)	\$ 51,589
FUND BALANCE - January 1	166,253	166,253	-	114,664
FUND BALANCE - December 31	\$ 166,315	\$ 158,949	\$ (7,366)	\$ 166,253

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
AMBULANCE FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
Cash and Investments	\$ 77,310	\$ 105,519
Accounts Receivable	17,067	10,891
Due from Other Funds	-	-
Prepaid Expenditures	969	1,087
TOTAL ASSETS	\$ 95,346	\$ 117,497
LIABILITIES		
Accounts Payable	\$ 11	\$ 841
Salaries and Related Taxes Payable	626	790
Advance from Other Funds	-	106,857
Total Liabilities	\$ 637	\$ 108,488
FUND BALANCE		
Nonspendable	\$ 969	\$ 1,087
Restricted	59,678	-
Assigned	34,062	7,922
Total Fund Balances	\$ 94,709	\$ 9,009
TOTAL LIABILITIES AND FUND BALANCE	\$ 95,346	\$ 117,497

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
AMBULANCE FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

REVENUES	2024	2023
INTERGOVERNMENTAL		
Federal - Medical Assistance Program	\$ 7,238	\$ 9,670
State - Other State Aid	59,678	-
Total Intergovernmental Revenue	<u>\$ 66,916</u>	<u>\$ 9,670</u>
CHARGES FOR SERVICES		
Ambulance Calls	\$ 40,827	\$ 31,402
Total Charges for Services	<u>40,827</u>	<u>31,402</u>
MISCELLANEOUS REVENUES		
Donations	\$ 15,177	\$ 7,293
Miscellaneous Income	3,689	4,769
Interest Income	-	1
Total Miscellaneous Revenue	<u>\$ 18,866</u>	<u>\$ 12,063</u>
TOTAL REVENUES	<u>\$ 126,609</u>	<u>\$ 53,135</u>
EXPENDITURES		
HEALTH AND WELFARE		
Wages	\$ 23,247	\$ 21,702
FICA and Medicare	1,799	1,648
Insurance	2,567	2,901
Professional Services	1,775	2,014
Telephone	926	915
Operating Supplies (Includes Fuel)	5,728	4,423
Repairs and Maintenance	701	433
Training and Education	2,268	249
Building Rental	-	3,600
Miscellaneous Expense	1,898	1,267
Total Health and Welfare	<u>\$ 40,909</u>	<u>\$ 39,152</u>
TOTAL EXPENDITURES	<u>\$ 40,909</u>	<u>\$ 39,152</u>
NET CHANGE IN FUND BALANCE	\$ 85,700	\$ 13,983
FUND BALANCE - January 1	<u>9,009</u>	<u>(4,974)</u>
FUND BALANCE - December 31	<u><u>\$ 94,709</u></u>	<u><u>\$ 9,009</u></u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
ECONOMIC DEVELOPMENT FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
Cash and Investments	\$ 78,781	\$ 51,263
Accounts Receivable	25,000	-
Loans Receivable	3,922	8,845
Due from Other Funds	7,636	6,556
Prepaid Expenditures	<u>763</u>	<u>763</u>
 TOTAL ASSETS	 <u>\$ 116,102</u>	 <u>\$ 67,427</u>
 LIABILITIES		
Accounts Payable	\$ -	\$ 51
Unearned Revenue	-	700
Due to Other Funds	11,746	11,746
Total Liabilities	<u>\$ 11,746</u>	<u>\$ 12,497</u>
 FUND BALANCE		
Nonspendable	\$ 763	\$ 763
Assigned	103,593	54,167
Total Fund Balances	<u>\$ 104,356</u>	<u>\$ 54,930</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 116,102</u>	 <u>\$ 67,427</u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

REVENUES	2024	2023
MISCELLANEOUS REVENUES		
Rent	\$ 25,900	\$ 18,640
Loan Repayments	-	250
Interest Income	156	51
Miscellaneous Income	-	1,454
Total Miscellaneous Revenue	<u>\$ 26,056</u>	<u>\$ 20,395</u>
TOTAL REVENUES	<u>\$ 26,056</u>	<u>\$ 20,395</u>
EXPENDITURES		
ECONOMIC DEVELOPMENT		
Insurance	\$ 1,845	\$ 1,845
Property Taxes	11,011	1,528
Professional Services	3,092	555
Utilities	416	1,696
Repairs and Maintenance	135	12,393
Advertising	190	3,100
Miscellaneous Expense	43,717	30,676
Capital Outlay	9,000	-
Total Housing and Economic Development	<u>\$ 69,406</u>	<u>\$ 51,793</u>
TOTAL EXPENDITURES	<u>\$ 69,406</u>	<u>\$ 51,793</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (43,350)	\$ (31,398)
OTHER FINANCING SOURCES (USES)		
Sale of Assets	\$ 29,414	\$ -
Insurance Claims	53,362	52,455
Transfers from Other Funds	10,000	10,000
Total Other Financing Sources (Uses)	<u>\$ 92,776</u>	<u>\$ 62,455</u>
NET CHANGE IN FUND BALANCE	\$ 49,426	\$ 31,057
FUND BALANCE - January 1	<u>54,930</u>	<u>23,873</u>
FUND BALANCE - December 31	<u><u>\$ 104,356</u></u>	<u><u>\$ 54,930</u></u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
SMALL CITIES DEVELOPMENT PROGRAM FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
Cash and Investments	\$ 126,957	\$ 77,994
Loans Receivable	109,294	165,568
Due from Other Funds	96,408	96,408
Advance to Other Funds	<u>39,089</u>	<u>39,089</u>
 TOTAL ASSETS	 <u>\$ 371,748</u>	 <u>\$ 379,059</u>
 LIABILITIES		
Accounts Payable	\$ 452	\$ -
Deferred Revenue - Loans	109,294	165,568
Due to Other Funds	23,636	22,556
Total Liabilities	<u>\$ 133,382</u>	<u>\$ 188,124</u>
 FUND BALANCE		
Nonspendable	\$ 39,089	\$ 39,089
Assigned	199,277	151,846
Total Fund Balances	<u>\$ 238,366</u>	<u>\$ 190,935</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 371,748</u>	 <u>\$ 379,059</u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SMALL CITIES DEVELOPMENT PROGRAM FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

REVENUES	2024	2023
MISCELLANEOUS REVENUES		
Loan Principal Received	\$ 50,327	\$ 64,194
Miscellaneous Income	-	43
Interest Income	3,639	2,857
Total Miscellaneous Revenue	<u>\$ 53,966</u>	<u>\$ 67,094</u>
TOTAL REVENUES	<u>\$ 53,966</u>	<u>\$ 67,094</u>
EXPENDITURES		
ECONOMIC DEVELOPMENT		
Rehabilitation		
Rehabilitation - SCDP Grant Funded	\$ -	\$ 20,000
Administrative Fees	6,478	3,724
Miscellaneous Expense	57	-
Total Housing and Economic Development	<u>\$ 6,535</u>	<u>\$ 23,724</u>
TOTAL EXPENDITURES	<u>\$ 6,535</u>	<u>\$ 23,724</u>
NET CHANGE IN FUND BALANCE	\$ 47,431	\$ 43,370
FUND BALANCE - January 1	<u>190,935</u>	<u>147,565</u>
FUND BALANCE - December 31	<u><u>\$ 238,366</u></u>	<u><u>\$ 190,935</u></u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND BALANCE
LIBRARY FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
Cash and Investments	\$ 24,455	\$ 104,468
Prepaid Expenditures	<u>659</u>	<u>743</u>
TOTAL ASSETS	\$ <u>25,114</u>	\$ <u>105,211</u>
LIABILITIES		
Accounts Payable	\$ 309	\$ 72
Salaries and Related Taxes Payable	1,158	1,178
Due to Other Fund	<u>-</u>	<u>81,167</u>
Total Liabilities	\$ <u>1,467</u>	\$ <u>82,417</u>
FUND BALANCE		
Nonspendable	\$ 659	\$ 743
Assigned	<u>22,988</u>	<u>22,051</u>
Total Fund Balances	\$ <u>23,647</u>	\$ <u>22,794</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u>25,114</u>	 \$ <u>105,211</u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
LIBRARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

REVENUES	2024	2023
INTERGOVERNMENTAL		
County Support	\$ 17,549	\$ 16,478
Total Intergovernmental Revenue	<u>\$ 17,549</u>	<u>\$ 16,478</u>
MISCELLANEOUS		
Donations	\$ 1,777	\$ 2,284
Miscellaneous	31	70
Total Miscellaneous Revenue	<u>\$ 1,808</u>	<u>\$ 2,354</u>
TOTAL REVENUES	<u>\$ 19,357</u>	<u>\$ 18,832</u>
EXPENDITURES		
CULTURE AND RECREATION		
Salaries and Related Payroll Expenditures	\$ 37,535	\$ 36,134
Audio/Video	-	110
Insurance	1,522	1,358
Automated Operations	5,755	5,570
Utilities	371	632
Library Books	3,023	2,988
Library Programs	232	729
Library Subscriptions	1,028	830
Supplies	202	1,506
Miscellaneous Expense	836	27
Total Culture and Recreation	<u>\$ 50,504</u>	<u>\$ 49,884</u>
TOTAL EXPENDITURES	<u>\$ 50,504</u>	<u>\$ 49,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (31,147)	\$ (31,052)
OTHER FINANCING SOURCES (USES)		
Transfers from Other Funds	\$ 32,000	\$ 32,000
Total Other Financing Sources (Uses)	<u>\$ 32,000</u>	<u>\$ 32,000</u>
NET CHANGE IN FUND BALANCE	\$ 853	\$ 948
FUND BALANCE - January 1	<u>22,794</u>	<u>21,846</u>
FUND BALANCE - December 31	<u>\$ 23,647</u>	<u>\$ 22,794</u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
LIQUOR FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 70,061	\$ 92,175
Accounts Receivable	-	4,374
Inventories	35,446	30,721
Prepaid Expenses	4,342	4,049
Total Current Assets	<u>\$ 109,849</u>	<u>\$ 131,319</u>
CAPITAL ASSETS		
Land	\$ 817	\$ 817
Buildings	256,501	256,501
Furniture and Equipment	129,881	129,881
Total Capital Assets	<u>\$ 387,199</u>	<u>\$ 387,199</u>
Accumulated Depreciation	(328,330)	(317,355)
Net Capital Assets	<u>\$ 58,869</u>	<u>\$ 69,844</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 26,700</u>	<u>\$ 42,485</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 195,418</u></u>	<u><u>\$ 243,648</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,197	\$ 2,157
Salaries and Related Taxes Payable	6,455	3,620
Sales Tax Payable	4,040	3,793
Due to Other Funds	232,239	292,985
Accrued Vacation and Sick Pay	3,321	-
Total Liabilities	<u>\$ 248,252</u>	<u>\$ 302,555</u>
LONG-TERM DEBT		
Net Pension Liability	\$ 38,563	\$ 58,715
Total Long-Term Debt	<u>\$ 38,563</u>	<u>\$ 58,715</u>
Total Liabilities	<u>\$ 286,815</u>	<u>\$ 361,270</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 39,072</u>	<u>\$ 39,807</u>
NET POSITION		
Net Investment in Capital Assets	\$ 58,869	\$ 69,844
Unrestricted	(189,338)	(227,273)
Total Net Position	<u>\$ (130,469)</u>	<u>\$ (157,429)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 195,418</u></u>	<u><u>\$ 243,648</u></u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
LIQUOR FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SALES		
Liquor and Beer Sales	\$ 379,407	\$ 376,503
Food, Vending, and Miscellaneous Income	182,004	119,285
Total Sales	<u>\$ 561,411</u>	<u>\$ 495,788</u>
COST OF SALES	<u>\$ 313,053</u>	<u>\$ 322,245</u>
GROSS PROFIT	<u>\$ 248,358</u>	<u>\$ 173,543</u>
OPERATING EXPENSES		
Salaries and Related Payroll Expense	\$ 171,588	\$ 132,743
PERA	5,162	8,725
Depreciation Expense	10,975	9,135
Advertising	1,789	2,851
Credit Card Fees	11,547	14,981
Insurance	10,893	13,407
Bonds, Licenses, and Tax	500	500
Utilities	17,376	19,691
Professional Services	60	42,782
Supplies	8,200	6,549
Repairs and Maintenance	5,411	29,468
Miscellaneous Expense	7,007	2,013
Total Operating Expenses	<u>\$ 250,508</u>	<u>\$ 282,845</u>
OPERATING INCOME (LOSS)	<u>\$ (2,150)</u>	<u>\$ (109,302)</u>
OTHER INCOME		
PERA Grant - MN	\$ 1,801	\$ 7
Insurance Claim	27,305	-
Interest Income	4	340
Total Other Income	<u>\$ 29,110</u>	<u>\$ 347</u>
INCREASE (DECREASE) IN NET POSITION	\$ 26,960	\$ (108,955)
NET POSITION - January 1	<u>(157,429)</u>	<u>(48,474)</u>
NET POSITION - December 31	<u><u>\$ (130,469)</u></u>	<u><u>\$ (157,429)</u></u>

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
LIQUOR FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 565,785	\$ 495,199
Cash Paid to Suppliers	(380,567)	(459,108)
Cash Paid for Payroll	(146,590)	(139,091)
Net Cash Flow from (Used in) Operating Activities	<u>\$ 38,628</u>	<u>\$ (103,000)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Paid for Transfers to Other Funds	\$ (60,746)	\$ -
Cash Received from Transfers from Other Funds	-	141,519
Net Cash Flow from (Used in) Noncapital Financing Activities	<u>\$ (60,746)</u>	<u>\$ 141,519</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Purchase of Fixed Assets	\$ -	\$ (56,329)
Net Cash Flow from (Used in) Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (56,329)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	\$ 4	\$ 340
Net Cash Flow from (Used in) Investing Activities	<u>\$ 4</u>	<u>\$ 340</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (22,114)</u>	<u>\$ (17,470)</u>
BEGINNING CASH - January 1	<u>92,175</u>	<u>109,645</u>
ENDING CASH - December 31	<u><u>\$ 70,061</u></u>	<u><u>\$ 92,175</u></u>
ANALYSIS OF CASH - December 31		
Cash in Checking	\$ 70,061	\$ 92,175
Total Cash and Cash Equivalents	<u>\$ 70,061</u>	<u>\$ 92,175</u>
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (2,150)	\$ (109,302)
Other Income	29,106	7
Noncash Items Included in Net Income:		
Depreciation	10,975	9,135
(Increase) Decrease in Accounts Receivable	4,374	(589)
(Increase) Decrease in Inventories	(4,725)	2,242
(Increase) Decrease in Prepaid Expenses	(293)	(234)
(Increase) Decrease in Deferred Outflows of Resources from PERA	15,785	10,408
Increase (Decrease) in Accounts Payable	40	(5,956)
Increase (Decrease) in Payroll Withholdings and Accruals	2,835	(323)
Increase (Decrease) in Accrued Vacation and Sick Pay	3,321	(240)
Increase (Decrease) in Sales Tax Payable	247	(673)
Increase (Decrease) in Net Pension Liability	(20,152)	(17,317)
Increase (Decrease) in Deferred Inflows of Resources	(735)	9,842
Net Cash Flow Provided by (Used in) Operating Activities	<u>\$ 38,628</u>	<u>\$ (103,000)</u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
WATER FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 119,956	\$ -
Restricted Cash	34,227	30,424
Accounts Receivable	18,404	17,387
Due from Other Funds	21,180	273,380
Prepaid Expenses	706	905
Total Current Assets	<u>\$ 194,473</u>	<u>\$ 322,096</u>
CAPITAL ASSETS		
Land	\$ 7,250	\$ 7,250
Land Improvements	1,790,423	1,717,787
Equipment	23,158	23,158
Total Capital Assets	<u>\$ 1,820,831</u>	<u>\$ 1,748,195</u>
Accumulated Depreciation	(878,340)	(840,083)
Net Capital Assets	<u>\$ 942,491</u>	<u>\$ 908,112</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 8,900</u>	<u>\$ 14,162</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,145,864</u></u>	<u><u>\$ 1,244,370</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Checks Written in Excess of Bank Balance	\$ -	\$ 148,321
Accounts Payable	11,815	4,028
Salaries and Related Taxes Payable	1,077	1,048
Sales Tax Payable	150	782
Unearned Revenue	2,452	-
Due to Other Funds	-	313
Accrued Interest Payable	13,999	13,337
Accrued Vacation and Sick Pay	1,499	1,182
Current Amount of Long-Term Debt	40,697	56,265
Total Liabilities	<u>\$ 71,689</u>	<u>\$ 225,276</u>
LONG-TERM DEBT		
Notes/Bonds Payable	\$ 612,331	\$ 543,596
Less: Current Amount Due	(40,697)	(56,265)
Net Pension Liability	12,854	19,572
Total Long-Term Debt	<u>\$ 584,488</u>	<u>\$ 506,903</u>
Total Liabilities	<u>\$ 656,177</u>	<u>\$ 732,179</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 13,024</u>	<u>\$ 13,269</u>
NET POSITION		
Net Investment in Capital Assets	\$ 330,160	\$ 364,516
Restricted for:		
Debt Service	34,227	30,424
Unrestricted	112,276	103,982
Total Net Position	<u>\$ 476,663</u>	<u>\$ 498,922</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 1,145,864</u></u>	<u><u>\$ 1,244,370</u></u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Water Charges	\$ 136,579	\$ 131,009
Capital Improvement Fee	15,968	15,801
Total Operating Revenues	<u>\$ 152,547</u>	<u>\$ 146,810</u>
OPERATING EXPENSES		
Water Purchased	\$ 51,738	\$ 46,053
Distribution Repairs and Maintenance	12,728	5,031
Salaries and Related Payroll Expense	37,841	34,178
PERA	754	2,700
Depreciation	38,257	37,955
Travel and Education	55	1,811
Office Supplies	1,375	-
Dues and Subscriptions	2,995	-
Insurance	1,665	1,811
Utilities	839	3,070
Miscellaneous Expense	4,517	13,322
Total Operating Expenses	<u>\$ 152,764</u>	<u>\$ 145,931</u>
OPERATING INCOME (LOSS)	<u>\$ (217)</u>	<u>\$ 879</u>
OTHER INCOME		
PERA Grant - MN	\$ 600	\$ 2
Interest Income	8	46
Total Other Income	<u>\$ 608</u>	<u>\$ 48</u>
OTHER EXPENSE		
Interest Expense	\$ 16,700	\$ 15,193
Debt Agent Fees	5,950	-
Total Other Expense	<u>\$ 22,650</u>	<u>\$ 15,193</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ (22,259)</u>	<u>\$ (14,266)</u>
NET POSITION - January 1	<u>498,922</u>	<u>513,188</u>
NET POSITION - December 31	<u><u>\$ 476,663</u></u>	<u><u>\$ 498,922</u></u>

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
WATER FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 153,982	\$ 142,685
Cash Paid to Suppliers	(74,508)	(69,963)
Cash Paid for Payroll	(39,350)	(35,807)
Net Cash Flow from (Used in) Operating Activities	<u>\$ 40,124</u>	<u>\$ 36,915</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Paid for Transfers to Other Funds	\$ (313)	\$ (261,318)
Cash Received from Transfers from Other Funds	252,200	-
Net Cash Flow from (Used in) Noncapital Financing Activities	<u>251,887</u>	<u>(261,318)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Long-Term Debt Retirements	\$ (56,265)	\$ (28,075)
Cash Received for Long-Term Debt	125,000	-
Cash Paid for Interest on Debt	(16,038)	(15,489)
Cash Paid for Purchase of Fixed Assets	(72,636)	-
Net Cash Flow from (Used in) Capital and Related Financing Activities	<u>\$ (19,939)</u>	<u>\$ (43,564)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	\$ 8	\$ 46
Net Cash Flow from (Used in) Investing Activities	<u>\$ 8</u>	<u>\$ 46</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 272,080</u>	<u>\$ (267,921)</u>
BEGINNING CASH - January 1	<u>(117,897)</u>	<u>150,024</u>
ENDING CASH - December 31	<u><u>\$ 154,183</u></u>	<u><u>\$ (117,897)</u></u>
ANALYSIS OF CASH - December 31		
Cash in Checking	\$ 154,183	\$ (117,897)
Total Cash and Cash Equivalents	<u>\$ 154,183</u>	<u>\$ (117,897)</u>
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (217)	\$ 879
Other Income	600	2
Other Expense	(5,950)	-
Noncash Items Included in Net Income:		
Depreciation	38,257	37,955
(Increase) Decrease in Accounts Receivable	(1,017)	(4,125)
(Increase) Decrease in Prepaid Expenses	199	(478)
(Increase) Decrease in Deferred Outflows of Resources from PERA	5,262	3,469
Increase (Decrease) in Accounts Payable	7,787	831
Increase (Decrease) in Payroll Withholdings and Accruals	29	(215)
Increase (Decrease) in Accrued Vacation and Sick Pay	317	306
Increase (Decrease) in Sales Tax Payable	(632)	782
Increase (Decrease) in Unearned Revenue	2,452	-
Increase (Decrease) in Net Pension Liability	(6,718)	(5,772)
Increase (Decrease) in Deferred Inflows of Resources	(245)	3,281
Net Cash Flow Provided by (Used in) Operating Activities	<u><u>\$ 40,124</u></u>	<u><u>\$ 36,915</u></u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
SEWER FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 28,831	\$ 45,914
Restricted Cash	144,738	128,656
Accounts Receivable	15,623	15,579
Prepaid Expenses	1,244	1,379
Total Current Assets	<u>\$ 190,436</u>	<u>\$ 191,528</u>
CAPITAL ASSETS		
Land	\$ 14,500	\$ 14,500
Land Improvements	2,280,592	2,280,592
Equipment	32,883	32,883
Total Capital Assets	<u>\$ 2,327,975</u>	<u>\$ 2,327,975</u>
Accumulated Depreciation	<u>(787,556)</u>	<u>(729,969)</u>
Net Capital Assets	<u>\$ 1,540,419</u>	<u>\$ 1,598,006</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 4,450</u>	<u>\$ 7,081</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,735,305</u></u>	<u><u>\$ 1,796,615</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Cash and Cash Equivalents		
Checks Written in Excess of Bank Balance		
Accounts Payable	\$ 15	\$ -
Salaries and Related Taxes Payable	646	629
Due to Other Funds	-	540
Accrued Interest Payable	43,431	44,437
Accrued Vacation and Sick Pay	899	709
Current Amount of Long-Term Debt	33,303	42,736
Total Liabilities	<u>\$ 78,294</u>	<u>\$ 89,051</u>
LONG-TERM DEBT		
Notes/Bonds Payable	\$ 1,579,462	\$ 1,622,197
Less: Current Amount Due	(33,303)	(42,736)
Net Pension Liability	6,427	9,786
Total Long-Term Debt	<u>\$ 1,552,586</u>	<u>\$ 1,589,247</u>
Total Liabilities	<u>\$ 1,630,880</u>	<u>\$ 1,678,298</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	<u>\$ 6,512</u>	<u>\$ 6,635</u>
NET POSITION		
Restricted for:		
Debt Service	\$ 144,738	\$ 128,656
Unrestricted	<u>(46,825)</u>	<u>(16,974)</u>
Total Net Position	<u>\$ 97,913</u>	<u>\$ 111,682</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 1,735,305</u></u>	<u><u>\$ 1,796,615</u></u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SEWER FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Utility Charges	\$ 134,543	\$ 120,958
Total Operating Revenues	<u>\$ 134,543</u>	<u>\$ 120,958</u>
OPERATING EXPENSES		
Salaries and Related Payroll Expense	\$ 22,865	\$ 20,334
Repairs and Maintenance	14,519	24,270
PERA	562	1,523
Depreciation	57,587	57,587
Insurance	2,961	3,132
Utilities	1,947	1,323
Miscellaneous Expense	4,740	1,197
Total Operating Expenses	<u>\$ 105,181</u>	<u>\$ 109,366</u>
OPERATING INCOME (LOSS)	<u>\$ 29,362</u>	<u>\$ 11,592</u>
OTHER INCOME		
PERA Grant - MN	\$ 300	\$ 91
Total Other Income	<u>\$ 300</u>	<u>\$ 91</u>
OTHER EXPENSE		
Interest Expense	\$ 43,431	\$ 44,282
Total Other Expense	<u>\$ 43,431</u>	<u>\$ 44,282</u>
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	\$ (13,769)	\$ (32,599)
Transfer to General Fund	<u>-</u>	<u>(106,000)</u>
INCREASE (DECREASE) IN NET POSITION	\$ (13,769)	\$ (138,599)
NET POSITION - January 1	<u>111,682</u>	<u>250,281</u>
NET POSITION - December 31	<u>\$ 97,913</u>	<u>\$ 111,682</u>

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
SEWER FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 134,499	\$ 116,087
Cash Paid to Suppliers	(24,017)	(30,199)
Cash Paid for Payroll	(23,771)	(21,433)
Net Cash Flow from (Used in) Operating Activities	<u>\$ 86,711</u>	<u>\$ 64,455</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Paid for Transfers to Other Funds	\$ (540)	\$ (136,507)
Net Cash Flow from (Used in) Noncapital Financing Activities	<u>\$ (540)</u>	<u>\$ (136,507)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Long-Term Debt Retirements	\$ (42,735)	\$ (30,925)
Cash Paid for Interest on Debt	(44,437)	(45,157)
Net Cash Flow from (Used in) Capital and Related Financing Activities	<u>\$ (87,172)</u>	<u>\$ (76,082)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (1,001)</u>	<u>\$ (148,134)</u>
BEGINNING CASH - January 1	<u>174,570</u>	<u>322,704</u>
ENDING CASH - December 31	<u><u>\$ 173,569</u></u>	<u><u>\$ 174,570</u></u>
ANALYSIS OF CASH - December 31		
Cash in Checking	\$ 173,569	\$ 174,570
Total Cash and Cash Equivalents	<u><u>\$ 173,569</u></u>	<u><u>\$ 174,570</u></u>
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 29,362	\$ 11,592
Other Income	300	91
Noncash Items Included in Net Income:		
Depreciation	57,587	57,587
(Increase) Decrease in Accounts Receivable	(44)	(4,871)
(Increase) Decrease in Prepaid Expenses	135	(277)
(Increase) Decrease in Deferred Outflows of Resources from PERA	2,631	1,735
Increase (Decrease) in Accounts Payable	15	-
Increase (Decrease) in Payroll Withholdings and Accruals	17	(129)
Increase (Decrease) in Accrued Vacation and Sick Pay	190	(28)
Increase (Decrease) in Net Pension Liability	(3,359)	(2,886)
Increase (Decrease) in Deferred Inflows of Resources	(123)	1,641
Net Cash Flow Provided by (Used in) Operating Activities	<u><u>\$ 86,711</u></u>	<u><u>\$ 64,455</u></u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
GARBAGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

ASSETS	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 27,970	\$ 27,971
Accounts Receivable	4,538	4,299
Total Current Assets	<u>\$ 32,508</u>	<u>\$ 32,270</u>
 TOTAL ASSETS	 <u>\$ 32,508</u>	 <u>\$ 32,270</u>
 LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,723	\$ 2,707
Sales Tax Payable	286	291
Total Liabilities	<u>\$ 3,009</u>	<u>\$ 2,998</u>
 NET POSITION		
Unrestricted	\$ 29,499	\$ 29,272
Total Net Position	<u>\$ 29,499</u>	<u>\$ 29,272</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 32,508</u>	 <u>\$ 32,270</u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
GARBAGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Utility Charges	\$ 35,699	\$ 36,139
Total Operating Revenues	<u>\$ 35,699</u>	<u>\$ 36,139</u>
OPERATING EXPENSES		
Refuse Collection	\$ 35,472	\$ 35,913
Total Operating Expenses	<u>\$ 35,472</u>	<u>\$ 35,913</u>
OPERATING INCOME (LOSS)	<u>\$ 227</u>	<u>\$ 226</u>
INCREASE (DECREASE) IN NET POSITION	\$ 227	\$ 226
NET POSITION - January 1	<u>29,272</u>	<u>29,046</u>
NET POSITION - December 31	<u><u>\$ 29,499</u></u>	<u><u>\$ 29,272</u></u>

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
GARBAGE FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 35,460	\$ 35,302
Cash Paid to Suppliers	<u>(35,461)</u>	<u>(35,593)</u>
Net Cash Flow from (Used in) Operating Activities	\$ <u>(1)</u>	\$ <u>(291)</u>
NET INCREASE (DECREASE) IN CASH	\$ (1)	\$ (291)
BEGINNING CASH - January 1	<u>27,971</u>	<u>28,262</u>
ENDING CASH - December 31	<u><u>27,970</u></u>	<u><u>27,971</u></u>
ANALYSIS OF CASH - December 31		
Cash in Checking	\$ <u>27,970</u>	\$ <u>27,971</u>
Total Cash and Cash Equivalents	<u><u>27,970</u></u>	<u><u>27,971</u></u>
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 227	\$ 226
(Increase) Decrease in Accounts Receivable	(239)	(837)
Increase (Decrease) in Accounts Payable	16	29
Increase (Decrease) in Sales Tax Payable	<u>(5)</u>	<u>291</u>
Net Cash Flow Provided by (Used in) Operating Activities	<u><u>(1)</u></u>	<u><u>(291)</u></u>

CITY OF IVANHOE
SCHEDULES OF ASSETS, LIABILITIES AND FUND NET POSITION
EDA HOUSING FUND
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 121,946	\$ 124,901
Restricted Cash	9,250	10,000
Prepaid Expenses	3,455	3,731
Total Current Assets	<u>\$ 134,651</u>	<u>\$ 138,632</u>
CAPITAL ASSETS		
Buildings	\$ 1,035,787	\$ 1,035,787
Total Capital Assets	<u>\$ 1,035,787</u>	<u>\$ 1,035,787</u>
Accumulated Depreciation	(937,055)	(899,723)
Net Capital Assets	<u>\$ 98,732</u>	<u>\$ 136,064</u>
TOTAL ASSETS	<u><u>\$ 233,383</u></u>	<u><u>\$ 274,696</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ 4,339
Deposits Payable from Restricted Cash	9,250	10,000
Due to Other Funds	13,075	13,075
Current Amount of Long-Term Debt	39,196	38,464
Total Liabilities	<u>\$ 61,521</u>	<u>\$ 65,878</u>
LONG-TERM DEBT		
Notes/Bonds Payable	\$ 283,374	\$ 321,838
Less: Current Amount Due	(39,196)	(38,464)
Advances from Other Funds	97,169	97,169
Total Long-Term Debt	<u>\$ 341,347</u>	<u>\$ 380,543</u>
Total Liabilities	<u>\$ 402,868</u>	<u>\$ 446,421</u>
NET POSITION		
Restricted for:		
Security Deposits	\$ 9,250	\$ 10,000
Unrestricted	(178,735)	(181,725)
Total Net Position	<u>\$ (169,485)</u>	<u>\$ (171,725)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 233,383</u></u>	<u><u>\$ 274,696</u></u>

CITY OF IVANHOE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
EDA HOUSING FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Rent Income	\$ 117,646	\$ 113,393
Total Operating Revenues	<u>\$ 117,646</u>	<u>\$ 113,393</u>
OPERATING EXPENSES		
Salaries and Related Payroll Expense	\$ 1,370	\$ -
PERA	82	-
Depreciation Expense	37,332	37,333
Maintenance and Utilities	46,695	22,745
Insurance	8,627	8,925
Payment in Lieu of Taxes/Property Taxes	5,995	5,585
Lawn Care and Snow Removal	9,447	11,072
Other Expenses	135	172
Professional Services	725	1,219
Total Operating Expenses	<u>\$ 110,408</u>	<u>\$ 87,051</u>
OPERATING INCOME (LOSS)	<u>\$ 7,238</u>	<u>\$ 26,342</u>
OTHER INCOME		
Miscellaneous Income	\$ 154	\$ 606
Interest Income	478	3
Total Other Income	<u>\$ 632</u>	<u>\$ 609</u>
OTHER EXPENSE		
Interest Expense	\$ 5,630	\$ 6,317
Total Other Expense	<u>\$ 5,630</u>	<u>\$ 6,317</u>
INCREASE (DECREASE) IN NET POSITION	\$ 2,240	\$ 20,634
NET POSITION - January 1	<u>(171,725)</u>	<u>(192,359)</u>
NET POSITION - December 31	<u><u>\$ (169,485)</u></u>	<u><u>\$ (171,725)</u></u>

CITY OF IVANHOE
SCHEDULES OF CASH FLOWS
EDA HOUSING FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 117,050	\$ 116,999
Cash Paid to Suppliers	(75,687)	(49,718)
Cash Paid for Payroll	(1,452)	-
Net Cash Flow from (Used in) Operating Activities	<u>\$ 39,911</u>	<u>\$ 67,281</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from Transfers from Other Funds	\$ -	\$ 18,094
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Long-Term Debt Retirements	\$ (38,464)	\$ (37,777)
Cash Paid for Interest on Debt	(5,630)	(6,317)
Net Cash Flow from (Used in) Capital and Related Financing Activities	<u>\$ (44,094)</u>	<u>\$ (44,094)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Interest on Investments	\$ 478	\$ 3
Net Cash Flow from (Used in) Investing Activities	<u>\$ 478</u>	<u>\$ 3</u>
NET INCREASE (DECREASE) IN CASH	\$ (3,705)	\$ 41,284
BEGINNING CASH - January 1	134,901	93,617
ENDING CASH - December 31	<u>\$ 131,196</u>	<u>\$ 134,901</u>
ANALYSIS OF CASH - December 31		
Cash in Checking	\$ 131,196	\$ 134,901
Total Cash and Cash Equivalents	<u>\$ 131,196</u>	<u>\$ 134,901</u>
SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 7,238	\$ 26,342
Interest Income on Cash Equivalents		
Other Income	154	606
Noncash Items Included in Net Income:		
Depreciation	37,332	37,333
(Increase) Decrease in Prepaid Expenses	276	(93)
Increase (Decrease) in Accounts Payable	(4,339)	93
Increase (Decrease) in Customer Deposits	(750)	3,000
Net Cash Flow Provided by (Used in) Operating Activities	<u>\$ 39,911</u>	<u>\$ 67,281</u>

OTHER REQUIRED REPORTS

DREALAN KVILHAUG HOEFKER & CO., P.A.



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MINNESOTA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANTS

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

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 11, 2025.

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 MN2024-1 and MN2024-2. 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
August 11, 2025

CITY OF IVANHOE, MINNESOTA

LEGAL COMPLIANCE

SCHEDULE OF FINDINGS AND RESPONSES ON COMPLIANCE WITH MINNESOTA STATUTES
FOR THE YEAR ENDED DECEMBER 31, 2024

CURRENT AUDIT

FINDING:

MN2024-1: **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 bills are paid timely.

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, 2024

CURRENT AUDIT

FINDING:

MN2024-2: **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"

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Website: www.city-ivanhoe-mn.com



LEGAL COMPLIANCE

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED DECEMBER 31, 2024

FINDING:

MN2024-1

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.

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

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LEGAL COMPLIANCE

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED DECEMBER 31, 2024

FINDING:

MN2024-2

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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CINDY M. PENNING, CPA

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, 2024, 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 August 11, 2025.

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 item 2024-1 that we consider to be a significant deficiency.

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 Kvithang Hoefke & Co., P.A.

Worthington, Minnesota
August 11, 2025

CITY OF IVANHOE, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

CURRENT AUDIT

<u>FINDING</u>	<u>DESCRIPTION</u>
2024-1:	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 in 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 did not have an internal control system designed to identify all necessary adjustments until the end of the audit period.
Recommendation:	The City did create a system of internal controls near the end of the audit period. The City should be mindful to stick to their system and continue to be diligent at both the accounting staff and accounting supervisory levels.
View of Responsible Official: Acknowledge	

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CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED DECEMBER 31, 2024

FINDING:

2024-1

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 the City personnel.

Anticipated Completion Date:

The procedures have been updated to monitor duties.

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, 2024

Finding Number: 2023-1
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: Fully Corrected by year-end 2024. Corrective action was taken.

Finding Number: 2023-2
Year of Finding Origination:
Finding Title: Material Audit Adjustments

Summary of Condition: A number of audit entries were proposed, several of which were material.

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

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2023-3
Year of Finding Origination:
Finding Title: Lack of internal controls

Summary of Condition: The City lacks internal controls to prevent and detect and correct material misstatements in a timely manner.

Summary of Corrective Action Previously Reported: The City should conduct a thorough review of internal controls and update policies and procedures to create controls.

Status: Fully Corrected. Corrective action was taken.