



Annual Financial Report

City of Lakeland

Lakeland, Minnesota

For the year ended December 31, 2023



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 Annual Financial Report
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INTRODUCTORY SECTION
CITY OF LAKELAND
CITY OF LAKELAND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joseph Paiement	Mayor	12/31/24
Robert Craggs	Council Member	12/31/24
Dave Millard	Council Member	12/31/26
Douglas Sand	Council Member	12/31/24
Mike Thron	Council Member	12/31/26

APPOINTED

Kristen Hoheisel	Treasurer
Michelle Elsner	City Clerk

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FINANCIAL SECTION
CITY OF LAKELAND
CITY OF LAKELAND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Lakeland, Minnesota

Opinions

We have audited the accompanying financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of Lakeland, Minnesota (the City), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basis financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023, and the changes in its financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each major fund and aggregate remaining fund information of the City, as of December 31, 2023, and its respective cash receipts and disbursements, on the basis of accounting described in Note 1B.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Minnesota Office of the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Minnesota Office of the State Auditor. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Minnesota Office of the State Auditor, as described in Note 1B. Management is also responsible 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 Lakeland's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 fund financial statements schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

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

In connection with our audit of the regulatory basis 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.



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Minneapolis, Minnesota
February 15, 2024



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FINANCIAL STATEMENTS - REGULATORY BASIS

CITY OF LAKELAND
LAKELAND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Lakeland, Minnesota
Statement of Balances Arising from Cash Transactions
Governmental Funds
December 31, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and temporary investments	\$ 2,240,722	\$ 247,340	\$ 2,488,062
Cash Fund Balances			
Restricted for			
Debt Service	-	135,698	135,698
Governmental Services	-	168,484	168,484
Public safety	74,349	-	74,349
Unassigned	2,166,373	(56,842)	2,109,531
Total Cash Fund Balances	\$ 2,240,722	\$ 247,340	\$ 2,488,062

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

City of Lakeland, Minnesota
Statement of Cash Receipts, Disbursements and
Changes in Cash Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Property taxes	\$ 942,081	\$ -	\$ 942,081
Tax increments	-	42,659	42,659
Gambling taxes	15,010	-	15,010
Special assessments	-	40,735	40,735
Licenses and permits	72,505	-	72,505
Intergovernmental	117,624	-	117,624
Charges for services	37,585	2,100	39,685
Fines and forfeits	3,606	-	3,606
Interest on investments	99,768	3,072	102,840
Miscellaneous	9,315	30,400	39,715
Total Receipts	<u>1,297,494</u>	<u>118,966</u>	<u>1,416,460</u>
Disbursements			
Current			
General government	274,209	4,268	278,477
Public safety	405,451	-	405,451
Public works	255,716	56,266	311,982
Sanitation	36,484	-	36,484
Culture and recreation	97,213	-	97,213
Economic development	-	27,875	27,875
Capital outlay			
Public works	36,176	30,300	66,476
Debt service			
Principal	-	35,000	35,000
Interest and other	-	9,138	9,138
Total Disbursements	<u>1,105,249</u>	<u>162,847</u>	<u>1,268,096</u>
Receipts Over (Under)			
Disbursements	<u>192,245</u>	<u>(43,881)</u>	<u>148,364</u>
Other Financing Sources (Uses)			
Transfers in	-	20,000	20,000
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
Net Change in Cash Fund Balances	172,245	(23,881)	148,364
Cash Fund Balances, January 1	<u>2,068,477</u>	<u>271,221</u>	<u>2,339,698</u>
Cash Fund Balances, December 31	<u>\$ 2,240,722</u>	<u>\$ 247,340</u>	<u>\$ 2,488,062</u>

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

City of Lakeland, Minnesota
Statement of Balances Arising From Cash Transaction
Water Proprietary Fund
December 31, 2023

Assets	
Current Assets	
Cash and cash equivalents	<u>\$ 775,667</u>
Net Cash Position	
Unrestricted	<u>\$ 775,667</u>

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

City of Lakeland, Minnesota
Statement of Receipts, Disbursements, and Changes in Net Cash Position
Water Proprietary Fund
For the Year Ended December 31, 2023

Operating Receipts	
Charges for services	\$ 507,530
Operating Disbursements	
Supplies	28,147
Other services and charges	326,569
Insurance	10,352
Repairs and maintenance	120,453
Utilities	50,120
Total Operating Disbursements	535,641
Operating Cash Income (Loss)	(28,111)
Nonoperating Receipts (Disbursements)	
Principal disbursements	(90,000)
Interest disbursement	(6,480)
Interest receipts	39,914
Total Nonoperating Receipts (Disbursements)	(56,566)
Change in Net Cash Position	(84,677)
Net Cash Position, January 1	860,344
Net Cash Position, December 31	\$ 775,667

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

City of Lakeland, Minnesota
Statement of Cash Flows - Regulatory Basis
Water Proprietary Fund
For the Year Ended December 31, 2023

Cash Flows from Operating Activities	
Receipts from customers	\$ 507,530
Payments to vendors and suppliers	<u>(535,641)</u>
Net Cash Provided (Used) by Operating Activities	<u>(28,111)</u>
Cash Flows from Capital and Related Financing Activities	
Principal paid on bonds	(90,000)
Interest paid on bonds	<u>(6,480)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(96,480)</u>
Cash Flows From Investing Activities	
Interest received	<u>39,914</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(84,677)
Cash and Cash Equivalents, January 1	<u>860,344</u>
Cash and Cash Equivalents, December 31	<u><u>\$ 775,667</u></u>

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

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

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Lakeland, Minnesota (the City), operates under "Optional Plan A" as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and a four-member Council. The Council exercises legislative authority and determines all matters of policy. The Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government. The City has no component units that meet the GASB criteria.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared under the regulatory basis of accounting as described in the Minnesota Office of the State Auditor's Reporting and Publishing Requirements for Cities not reaching 2,500 in Population published on February 2016. Under that basis, revenues are recognized when received rather than when measurable and available, and disbursements are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because the City has not reported a management discussion and analysis letter, government wide statement of net assets and government-wide statement of activities and the City does not recognize governmental fund revenue and expenditures in accordance with the modified accrual basis of accounting.

Revenue resulting from the exchange transaction, in which each party gives and receives essentially equal value, is recorded on an accrual basis when the exchange takes place.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On a regulatory basis, receipts from property taxes are recognized in the year the tax is collected. Receipts from grants, entitlements and donations are recognized in the year in which they are collected.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Preparation of the financial statement requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

Note 1: Summary of Significant Accounting Policies (Continued)

The City has the following fund types:

Governmental funds are used to account for the City's general government activities and are accounted for using the regulatory basis of accounting. Their receipts are recognized when received in cash and disbursements are recognized when paid in cash. The regulatory basis of accounting is a special purpose framework other than GAAP. Under GAAP, governmental funds use the modified accrual method of accounting. The difference between the regulatory basis and modified accrual basis of accounting is that under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The City maintains the following major governmental fund:

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

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The enterprise funds are reported using the regulatory basis of accounting. The regulatory basis of accounting is a special purpose framework other than GAAP. Under GAAP, enterprise fund use the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City reports the following major proprietary fund:

The *Water fund* accounts for the activities of the water distribution system the City maintains.

Proprietary funds distinguish *operating* receipts and disbursements from *nonoperating* items. Operating receipts and disbursement generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative disbursements. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Assets and Net Cash Position/Cash Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

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

The City has not adopted a formal investment policy.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

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

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. In the proprietary funds, these assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue upon receipt in the governmental funds.

Long-term Obligations

Bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, other than those withheld from the actual net proceeds received, are reported as debt service disbursement.

Pensions

The City's contribution to the General Employees Fund for the year ending December 31, 2023 was \$6,461 and contributions to the defined contribution plan was \$230. Total contributions were \$6,691 to pension plans.

Fund Balance

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

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

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

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

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

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

The City has not formally adopted a fund balance policy for the General fund.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is displayed in two components:

- a. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.
- b. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the regulatory basis, which is a comprehensive basis other than GAAP for the General fund. The budget was not amended during 2023. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Treasurer so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City’s administration may make transfers of appropriations within a fund. Revisions that change total disbursements of any fund must be approved by the City County. Budgetary control is maintained at the object of disbursement category within each activity and is following Minnesota State Statutes.

B. Excess of Expenditures Over Appropriations

The General fund had expenditures in excess of budgeted expenditures as of December 31, 2023:

Fund	Budget	Actual	Excess of Disbursements Over Appropriations
General	\$ 1,025,597	\$ 1,105,249	\$ 79,652

The excess of disbursements over appropriations was funded with receipts in excess of budget and cash fund balance.

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

Note 2: Stewardship, Compliance and Accountability (Continued)

C. Deficit Fund Cash Balances

The following funds had deficit fund cash balances as of December 31, 2023:

Fund	Amount
Nonmajor Funds	
FEMA	\$ 35,192
Escrow	21,363
	\$ 56,555

The deficits will be funded with reimbursements and state aids.

Note 3: Detailed Notes on Accounts

A. Deposits and Investments

Deposits

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

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

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

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

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

Note 3: Detailed Notes on Accounts (Continued)

At year end, the City's carrying amount of deposits was as per below, the bank balance was covered by collateral held by the City's agent in the City's name.

Carrying Amount of Deposits	\$ 1,575
Investments	3,261,477
Cash on Hand	<u>250</u>
 Total	 <u><u>\$ 3,263,302</u></u>
 Governmental Funds	 \$ 2,488,062
Business-type Funds	<u>775,667</u>
 Total	 <u><u>\$ 3,263,729</u></u>

Investments

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

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

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount
Investments at amortized cost			
4 funds	N/A	less than 6 months	<u><u>\$ 3,261,477</u></u>

(1) Ratings are provided by Moody's where applicable to indicate associated credit risk.

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

N/A Indicates not applicable or available.

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

Note 3: Detailed Notes on Accounts (Continued)

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

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the City's investments.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- *Concentration of Credit Risk.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.
- *Interest Rate Risk.* The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

B. Interfund Receivables, Payables and Transfers

The General fund transferred \$20,000 to nonmajor governmental funds to support debt service requirements.

C. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for proprietary funds. In addition, general obligation bonds have been issued to refund related general obligations.

General obligation bonds are direct obligations of the City. Governmental general obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Governmental activities					
G.O. Bonds					
Refunding Bonds of 2015A	\$ 540,000	1.05 - 3.00 %	8/25/2015	2/1/2030	<u>\$ 295,000</u>

General Obligation Revenue Bonds - Business-type Activities

The following bonds were used to finance utility improvements. They will be repaid with utility charges. The bonds are backed by the full faith and credit of the City.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Business-type activities					
G.O. Revenue Bonds					
Refunding Bonds of 2015A	\$ 740,000	1.05 - 3.00 %	8/25/2015	8/20/2025	<u>\$ 195,000</u>

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

Note 3: Detailed Notes on Accounts (Continued)

The annual requirements to amortize general obligation revenue bonds as of December 31, 2023 are as follows:

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 40,000	\$ 7,750	\$ 47,750	\$ 95,000	\$ 3,688	\$ 98,688
2025	40,000	6,750	46,750	100,000	1,250	101,250
2026	40,000	5,750	45,750	-	-	-
2027	40,000	4,650	44,650	-	-	-
2028	45,000	3,375	48,375	-	-	-
2029-2030	90,000	2,700	92,700	-	-	-
Total	<u>\$ 295,000</u>	<u>\$ 30,975</u>	<u>\$ 325,975</u>	<u>\$ 195,000</u>	<u>\$ 4,938</u>	<u>\$ 199,938</u>

Changes in Long-term Liabilities

During the year ended December 31, 2023 the following changes occurred in long-term liabilities.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 330,000	\$ -	\$ (35,000)	\$ 295,000	\$ 40,000
Business-type Activities					
General obligation revenue bonds	285,000	-	(90,000)	195,000	95,000
	<u>\$ 615,000</u>	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ 490,000</u>	<u>\$ 135,000</u>

Note 4: Defined Benefit Pension Plan - Statewide

A. Plan Description

All full-time and certain part-time employees of the City are covered by a defined benefit plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (accounted for in the General Employees Fund, which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356.

General Employees Retirement Plan

General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and survivor benefits upon death of eligible members. Benefits are established by state statute. Benefits for members of the General Employees Plan vest after five years of credited service.

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

Note 4: Defined Benefit Pension Plan – Statewide (Continued)

General Employee Plan Benefits

The defined benefit retirement plan benefits are based on a member's highest average salary for any 5 years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. The rates are 2.2% and 2.7%, respectively, for Basic members. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service, and 2.7% for Basic members. The accrual rates for former MERF members is 2.0% for each of the first 10 years of service and 2.5% for each additional year. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

For all General Employee Plan members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Method 2 provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989 or age 66 (the age for unreduced Social Security benefits), for those first hired on or after that date. Early retirement may begin at age 55 with an actuarial reduction (about six percent per year) for members retiring prior to full retirement age.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service before retirement benefits begin.

The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees plan. That report may be obtained on the PERA's website at www.mnpera.org/about/financial/.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in 2023. In 2023, the City was required to contribute 7.5 percent for Coordinated Plan members.

The City's contributions to the General Employees Fund for the years ending December 31, 2023 and 2022 were \$6,461 and \$4,114, respectively. The City's contributions in 2023 were equal to the required contributions as set by state statute.

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

Note 5: Defined Contribution Plan - Statewide

One council member of the City is covered by the Public Employees Defined Contribution Plan (Defined Contribution Plan accounted for in the Defined Contribution Fund), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer.

Employer and employee contributions are combined and used to purchase shares in one or more of the six accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2022 were \$230 for employee and \$230 for employer.

Note 6: Other Information

A. Risk Management

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

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

B. Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF LAKELAND
CITY OF LAKELAND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Lakeland, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Balances Arising from Cash Transactions
 December 31, 2023

	Special Revenue Funds			Debt Service	Capital Projects Fund	Total
	FEMA	ARPA	3M Settlement		Escrow	
Assets						
Cash and temporary investments	\$ (35,192)	\$ 168,484	\$ (287)	\$ 133,005	\$ 135,698	\$ (21,363)
	<u>\$ (35,192)</u>	<u>\$ 168,484</u>	<u>\$ (287)</u>	<u>\$ 133,005</u>	<u>\$ 135,698</u>	<u>\$ (21,363)</u>
Cash Fund Balances						
Restricted						
Debt service	-	-	-	-	135,698	-
Governmental services	-	168,484	-	168,484	-	-
Unassigned	(35,192)	-	(287)	(35,479)	-	(21,363)
	<u>(35,192)</u>	<u>-</u>	<u>(287)</u>	<u>(35,479)</u>	<u>-</u>	<u>(21,363)</u>
Total Cash Fund Balances	<u>\$ (35,192)</u>	<u>\$ 168,484</u>	<u>\$ (287)</u>	<u>\$ 133,005</u>	<u>\$ 135,698</u>	<u>\$ (21,363)</u>

City of Lakeland, Minnesota
Nonmajor Governmental Funds
Combining Statement of Cash Receipts, Disbursements and
Changes in Cash Fund Balances
For the Year Ended December 31, 2023

	Special Revenue Funds				Debt Service	Capital Projects Fund	Total
	FEMA	ARPA	3M Settlement	Total		Escrow	
Receipts							
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ 42,659	\$ -	\$ 42,659
Charges for services	-	-	-	-	-	2,100	2,100
Special assessments	-	-	-	-	40,735	-	40,735
Interest on investments	-	-	-	-	3,072	-	3,072
Miscellaneous	-	-	-	-	-	30,400	30,400
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,466</u>	<u>32,500</u>	<u>118,966</u>
Disbursements							
Current							
General government	4,268	-	-	4,268	-	-	4,268
Public works	-	-	287	287	-	55,979	56,266
Economic development	-	-	-	-	27,875	-	27,875
Capital outlay							
Public works	-	30,300	-	30,300	-	-	30,300
Debt service							
Principal	-	-	-	-	35,000	-	35,000
Interest and other	-	-	-	-	9,138	-	9,138
Total Disbursements	<u>4,268</u>	<u>30,300</u>	<u>287</u>	<u>34,855</u>	<u>72,013</u>	<u>55,979</u>	<u>162,847</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	(4,268)	(30,300)	(287)	(34,855)	14,453	(23,479)	(43,881)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	20,000	-	20,000
Net Change in Cash Fund Balances	(4,268)	(30,300)	(287)	(34,855)	34,453	(23,479)	(23,881)
Cash Fund Balances, January 1	<u>(30,924)</u>	<u>198,784</u>	<u>-</u>	<u>167,860</u>	<u>101,245</u>	<u>2,116</u>	<u>271,221</u>
Cash Fund Balances, December 31	<u>\$ (35,192)</u>	<u>\$ 168,484</u>	<u>\$ (287)</u>	<u>\$ 133,005</u>	<u>\$ 135,698</u>	<u>\$ (21,363)</u>	<u>\$ 247,340</u>

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City of Lakeland, Minnesota
 General Fund
 Budgetary Comparison Schedule - Regulatory Basis (Continued on the Following Pages)
 For the Year Ended December 31, 2023
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Budgetary Cash Fund Balances, January 1	\$ 2,068,477	\$ 2,068,477	2,068,477	\$ -	\$ 1,897,542
Receipts					
Taxes					
Property taxes	1,029,904	1,029,904	942,081	(87,823)	964,974
Gambling Taxes	12,000	12,000	15,010	3,010	21,457
Total taxes	<u>1,041,904</u>	<u>1,041,904</u>	<u>957,091</u>	<u>(84,813)</u>	<u>986,431</u>
Licenses and permits					
Business	3,000	3,000	5,370	2,370	3,505
Nonbusiness	36,200	36,200	67,135	30,935	91,417
Total licenses and permits	<u>39,200</u>	<u>39,200</u>	<u>72,505</u>	<u>33,305</u>	<u>94,922</u>
Intergovernmental					
State					
Local government aid	-	-	39,735	39,735	56,835
PERA aid	461	461	-	(461)	-
Public safety aid	-	-	74,349	74,349	-
County					
County grants	3,882	3,882	3,540	(342)	-
Total intergovernmental	<u>4,343</u>	<u>4,343</u>	<u>117,624</u>	<u>113,281</u>	<u>56,835</u>
Charges for services					
General government	10,050	10,050	37,585	27,535	26,832
Public works	3,500	3,500	-	(3,500)	5,134
Total charges for services	<u>13,550</u>	<u>13,550</u>	<u>37,585</u>	<u>24,035</u>	<u>31,966</u>
Fines and forfeits	5,200	5,200	3,606	(1,594)	3,911
Special assessments	-	-	-	-	397
Interest on investments	4,000	4,000	99,768	95,768	30,702
Miscellaneous					
Other	1,000	1,000	9,315	8,315	89,284
Total Receipts	<u>1,109,197</u>	<u>1,109,197</u>	<u>1,297,494</u>	<u>188,297</u>	<u>1,294,448</u>
Amounts Available for Appropriation	<u>3,177,674</u>	<u>3,177,674</u>	<u>3,365,971</u>	<u>188,297</u>	<u>3,191,990</u>

City of Lakeland, Minnesota
 General Fund
 Budgetary Comparison Schedule - Regulatory Basis (Continued)
 For the Year Ended December 31, 2023
 (With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023			2022	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Disbursements					
Current					
General government					
Mayor and Council					
Personal services	13,881	13,881	13,532	349	13,886
City Clerk					
Personal services	96,866	96,866	96,723	143	63,120
Elections					
Other services and charges	1,200	1,200	10,844	(9,644)	1,185
Accounting					
Other services and charges	36,000	36,000	21,368	14,632	32,630
Legal					
Other services and charges	44,000	44,000	37,594	6,406	36,944
Planning and zoning					
Supplies	4,000	4,000	3,235	765	4,491
Other services and charges	24,800	24,800	5,539	19,261	14,950
Total	28,800	28,800	8,774	20,026	19,441
Other General Government					
Supplies	6,000	6,000	6,711	(711)	6,899
Other services and charges	48,340	48,340	56,098	(7,758)	40,437
Total other general government	54,340	54,340	62,809	(8,469)	47,336
Assessing					
Other services and charges	24,000	24,000	14,116	9,884	26,104
Insurance					
Other services and charges	7,200	7,200	8,449	(1,249)	6,049
Total general government	306,287	306,287	274,209	32,078	246,695
Public safety					
Police					
Other services and charges	153,203	153,203	144,282	8,921	130,386
Fire					
Other services and charges	163,297	163,297	186,747	(23,450)	136,141
Building inspection					
Other services and charges	15,000	15,000	72,650	(57,650)	63,301
Animal control					
Other services and charges	3,000	3,000	1,565	1,435	1,631
Civil defence					
Other services and charges	150	150	207	(57)	162
Total public safety	334,650	334,650	405,451	(70,801)	331,621

City of Lakeland, Minnesota
General Fund
Budgetary Comparison Schedule - Regulatory Basis (Continued)
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Disbursements (Continued)					
Current					
Public works					
Streets and Roadways					
Supplies	50,000	50,000	107,214	(57,214)	49,562
Other services and charges	83,470	83,470	93,666	(10,196)	81,683
Total street maintenance	<u>133,470</u>	<u>133,470</u>	<u>200,880</u>	<u>(67,410)</u>	<u>131,245</u>
Snow and ice removal					
Supplies	6,000	6,000	6,819	(819)	5,163
Other services and charges	30,350	30,350	26,393	3,957	24,073
Total	<u>36,350</u>	<u>36,350</u>	<u>33,212</u>	<u>3,138</u>	<u>29,236</u>
Street lighting					
Other services and charges	-	-	14,104	(14,104)	15,060
City Engineer					
Other services and charges	12,000	12,000	7,520	4,480	14,444
Total public works	<u>181,820</u>	<u>181,820</u>	<u>255,716</u>	<u>(73,896)</u>	<u>189,985</u>
Sanitation and recycling					
Other services and charges	2,700	2,700	36,484	(33,784)	33,041
Culture and recreation					
Parks					
Supplies	30,400	30,400	58,218	(27,818)	40,575
Other services and charges	25,580	25,580	18,839	6,741	20,880
Total parks	<u>55,980</u>	<u>55,980</u>	<u>77,057</u>	<u>(21,077)</u>	<u>61,455</u>
Conservation Natural Resources					
Other services and charges	14,160	14,160	20,156	(5,996)	7,078
Total culture and recreation	<u>70,140</u>	<u>70,140</u>	<u>97,213</u>	<u>(27,073)</u>	<u>68,533</u>
Capital outlay					
Public works	130,000	130,000	36,176	93,824	203,638
Total Disbursements	<u>1,025,597</u>	<u>1,025,597</u>	<u>1,105,249</u>	<u>(79,652)</u>	<u>1,073,513</u>
Other Financing Sources (Uses)					
Transfer out	36,600	36,600	20,000	16,600	50,000
Total Disbursements and Other Financing Sources (Uses)	<u>1,062,197</u>	<u>1,062,197</u>	<u>1,125,249</u>	<u>(63,052)</u>	<u>1,123,513</u>
Budgetary Cash Fund Balances, December 31	<u>\$ 2,115,477</u>	<u>\$ 2,115,477</u>	<u>\$ 2,240,722</u>	<u>\$ 125,245</u>	<u>\$ 2,068,477</u>

City of Lakeland, Minnesota
 Summary Financial Report
 Receipts and Disbursements for General Operations
 Governmental Funds
 For the Years Ended December 31, 2023 and 2022

	Totals		Percent Increase (Decrease)
	2023	2022	
Receipts			
Taxes	\$ 999,750	\$ 1,049,634	(4.75) %
Licenses and permits	72,505	94,922	(23.62)
Intergovernmental	117,624	156,227	(24.71)
Charges for services	39,685	31,966	24.15
Fines and forfeitures	3,606	3,911	(7.80)
Special assessments	40,735	42,281	(3.66)
Interest on investment	102,840	31,444	227.06
Miscellaneous	39,715	104,384	(61.95)
Total Receipts	<u>\$ 1,416,460</u>	<u>\$ 1,514,769</u>	(6.49) %
Per Capita	<u>\$ 843</u>	<u>\$ 892</u>	(5.43) %
Disbursements			
Current			
General government	278,477	\$ 270,440	2.97 %
Public safety	405,451	331,621	22.26
Public works	311,982	219,417	42.19
Sanitation	36,484	33,041	10.42
Culture and recreation	97,213	68,533	41.85
Economic development	27,875	23,279	19.74
Capital outlay			
Public works	66,476	235,763	(71.80)
Debt service			
Principal	35,000	40,000	(12.50)
Interest and other charges	9,138	10,100	(9.52)
Total Disbursements	<u>\$ 1,268,096</u>	<u>\$ 1,232,194</u>	2.91 %
Per Capita	<u>\$ 755</u>	<u>\$ 725</u>	4.08 %
Total Long-term Indebtedness	\$ 295,000	\$ 330,000	(10.61) %
Per Capita	176	194	(9.59)
General Fund Balance - December 31	\$ 2,240,722	\$ 2,068,477	8.33 %
Per Capita	1,334	1,217	9.55

The purpose of this report is to provide a summary of financial information concerning the City of Lakeland to interested citizens. The complete financial statements may be examined at City Hall, 1190 St. Croix Trail South Lakeland, MN 55043. Questions about this report should be directed to the City Treasurer at 651-436-4430.

SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF LAKELAND
CITY OF LAKELAND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Lakeland, Minnesota
 Supplementary Information (Unaudited)
 Schedule of Indebtedness
 December 31, 2023

Bonded Indebtedness - Governmental Activities

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Crossover Refunding Bonds General obligation bonds 2015A	\$ 540,000	1.05 - 3.00 %	8/25/2015	2/1/2030	<u>\$ 295,000</u>

Debt service requirements to maturity

Year Ending December 31,	Principal	Interest	Total
2024	\$ 40,000	\$ 7,750	\$ 47,750
2025	40,000	6,750	46,750
2026	40,000	5,750	45,750
2027	40,000	4,650	44,650
2028	45,000	3,375	48,375
2029 - 2030	90,000	2,700	92,700
Total	<u>\$ 295,000</u>	<u>\$ 30,975</u>	<u>\$ 325,975</u>

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Crossover Refunding Bonds General obligation bonds	\$ 720,000	1.05 - 3.00 %	08/25/15	08/01/25	<u>\$ 195,000</u>

Debt Service Requirements to Maturity

Year Ending December 31,	Principal	Interest	Total
2024	\$ 95,000	\$ 3,688	\$ 98,688
2025	100,000	1,250	101,250
Total	<u>\$ 195,000</u>	<u>\$ 4,938</u>	<u>\$ 199,938</u>

City of Lakeland, Minnesota
Supplementary Information (Unaudited)
December 31, 2023

Schedule of Accounts Receivable

Fund	Source of Revenue and Purpose	Amount
General	January Tax Settlement	\$ 5,000
General	Utilities	283
		<u>\$ 5,283</u>

Schedule of Accounts Payable and Contingent Liabilities

Fund	Vendor Name and Purpose	Amount
General	Brooklyn Flor De Cempasuchil Cleaning services	\$ 100
General	Buildtec Contracting Refund	126
General	CarlsonSV LLP Accounting	85
Water	CarlsonSV LLP Accounting	41
General	CIT - Computer Int IT - Software	1,744
Water	Comcast Telephone	434
General	Comcast Telephone	111
General	Companion Animal Animal control	192
Water	CP Energy Gas utility	517
General	CP Energy Gas utility	101
General	Eureka Recycling November/December recycling	815
Water	Gopher State One Locates	20
General	Johnson/Turner Legal services	3,165
General	Maroney's Sanitation	2,713
Water	Maroney's Sanitation	138
Water	Menards Supplies	119
Water	Minnesota Department of Revenue 4th quarter sales tax	205
Water	Minnesota DNR Use tax and surcharges	1,533
General	MN Dept of Labor and Industry Surcharge	95
Water	PeopleService Inc. Water billing	7,318
General	PeopleService Inc. Public works maintenance	7,492
General	SEH- Engineering Engineering	383
Escrow	SEH- Engineering Engineering	1,341
FEMA	SEH- Engineering Engineering	222
ARPA	SEH- Engineering Engineering	413
Water	Total Control System Inc. Internet access	540
General	Total Control System Inc. Internet access	135
Water	USB Equipment Finance Supplies	158
General	USPS- Stamps Supplies	68
Water	Utility customer Refund	385
General	Washington County Sheriff	76,752
Water	Water Laboratories Chemicals	377
General	Xcel Energy Electricity	2,682
Water	Xcel Energy Electricity	1,434
General	Xerox Financial Service Supplies	470
		<u>\$ 112,424</u>

Total Accounts Payable

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OTHER REQUIRED REPORTS
CITY OF LAKELAND
CITY OF LAKELAND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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

Honorable Mayor and City Council
City of Lakeland, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of Lakeland, Minnesota (the City), as of and for the year ended December 31, 2023 and the related notes to the financial statements, which have collectively comprised the City’s basic financial statements, and have issued our report thereon dated February 15, 2024. In our report, our opinion was modified because the City prepares its financial statements on the regulatory basis, which is a special purpose framework other than accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, except as described in the Schedule of Findings and Responses as item 2023-003. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The City’s Responses to Findings

The City’s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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



Abdo
Minneapolis, Minnesota
February 15, 2024

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

<u>Finding</u>	<u>Description</u>
2023-003	No declaration on checks
<i>Condition:</i>	Auditing for legal compliance requires a review of the City's deposits and investments. Our study indicated an instance of non-compliance that we believe needs to be remedied.
<i>Criteria:</i>	Minnesota statute 471.38 requires that each declaration for payment be signed to the effect that such account, claim, or demand is just and correct and that no part of it has been paid. The statute is satisfied if on the back of City checks is a declaration as defined in Minnesota statute 471.391 reading "I declare under the penalties of law that this account, claim, or demand is just and correct and that no part of it has been paid."
<i>Cause:</i>	The City did not have the required statement on the back of their checks for both the main checking account and clerks checking.
<i>Effect:</i>	The City was out of compliance with this Minnesota statute.
<i>Recommendation:</i>	The City has a stamp with the declaration, which we recommend using until new checks with the pre-printed declaration are available.
<i>Management Response:</i>	<i>Management will obtain a stamp for checks until new checks are ordered.</i>