

CITY OF MILACA
CITY COUNCIL MEETING
COUNCIL AGENDA
JUNE 24, 2024

1. Call Meeting to Order 6:30 p.m.
2. Pledge of Allegiance
3. Roll Call- Present: Mayor-Dave Dillan____ Council Members; Ken Muller____ Norris Johnson____ Lindsee Larsen____
Laurie Gahm____ Absent;_____
4. **Approval of Agenda** MB__2nd__ AIF__O__
5. **Consent Agenda** MB__2nd__ AIF__O__
 - a. Approval of the Minutes – May 16, 2024 and June 4, 2024 Special Council Meeting
 - b. Approval of Bills
 - c.
6. **Open Forum**
7. **Public Hearing:**
8. **Requests and Communications**
 - a. Auditors Presentation of the Audited Financial Statements (Handout)
 - b. Report to the Members of Governance (Handout)
 - c. Audited Financial Statements December 31, 2023 MB__2nd__ AIF__O__
9. **Ordinances and Resolutions**
 - a. Ordinance #523 – Amending Traffic Code Chapter 73 Sections 73.22 and 73.27
(Golf Carts) First Reading MB__2nd__ AIF__O__
 - b. Ordinance #524 - Amending Traffic Code Chapter 70 Section 70.11 (Mini Trucks and
UTV's) First Reading MB__2nd__ AIF__O__
 - c. Ordinance #525 – Adding Motorized Golf Cart Fee to Chapter 34 MB__2nd__ AIF__O__
 - d. Ordinance #526 – Amending Traffic Code Chapter 74 Schedule V Motorized Golf Carts;
Restricted Areas First Reading MB__2nd__ AIF__O__
 - e. Ordinance #527 – Amending Chapter 90 Recreation Section 90.04 (G) Disturbing the
Peace-Conduct First Reading MB__2nd__ AIF__O__
 - f. Ordinance #528-Interim Ordinance Prohibiting Acceptance or Consideration of Applications
for New Cannabis and Cannabidiol Manufacturing and Cultivation Licensure-First Reading MB__2nd__ AIF__O__
 - g. Resolution #24-15 Adopting the Drug and Alcohol Testing and Drug-Free Workplace Act
Policy for Non-Commercial Drivers (Non-DOT) MB__2nd__ AIF__O__
 - h. Resolution #24-16 Resolution Approving 2024 Liquor/Tobacco/THC License-Kwik Trip MB__2nd__ AIF__O__

- i. Resolution #24-17 Resolution Approving a Public Hearing for An Interim Ordinance Authorizing A Study and Imposing a Moratorium on the Acceptance or Consideration of Applications for New Cannabis and Cannabidiol Manufacturing and Cultivation Licensure

MB ___ 2nd ___ AIF ___ O ___

10. Reports of Departments, Boards and Commissions

- a. City Manager
- b. Police-Incident Summary Report (Handout-Info. Only-No Action Needed)
- c. Police-
- d. Parks –
- e. Public Works-
- f. Liquor Store-
- g. Fire Department-
- h. Planning and Zoning – New Members Mitchell Siemers and Jake Lepper
- i. Airport-

11. Committees

- a. Budget
- b. EDC

12. Unfinished Business

- a.

13. New Business

- a. Memo of Understanding in Reference to Resolution #24-15

MB ___ 2nd ___ AIF ___ O ___

14. Miscellaneous

15. Council Comments

16. Adjournment

MB ___ 2nd ___ AIF ___ O ___

§ 30.19 ORDER OF BUSINESS; AGENDA

(C) Unless the Council, in its discretion, votes to consider matters not appearing on the agenda, no item of business shall be considered unless it appears on the agenda for the meeting.

**CITY OF MILACA
COUNCIL MINUTES
May 16, 2024**

Pledge of Allegiance

Call to Order Roll Call

Mayor Dillan called the meeting of the Milaca City Council to order at 6:32 p.m.

Upon roll call, the following council members were present: Mayor Dave Dillan, Councilors: Norris Johnson, Lindsee Larsen. Councilors Laurie Gahm and Ken Muller, absent.

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, Assistant City Clerk Deloris Katke, Police Chief Quinn Rasmussen, Fire Chief Jesse Gerads, City Attorney Damien Toven

Others present: Chris Carlson of Borgholm Township and George Eilertson of Northland Securities.

Approval of Agenda

Mayor Dillan called for a motion to approve the agenda. Johnson made a motion for approval, seconded by Larsen. With no further discussion, all in favor of the approval of the agenda; motion passes.

Approval of Consent Agenda

Mayor Dillan called for a motion to approve the Consent Agenda of the following items:

- a. Approval of the Minutes – April 18, 2024
- b. Approval of Bills and Quarterly Reports
- c. Resolution #24-11 Accepting Donations

Larsen made a motion for approval of Consent Agenda, seconded by Johnson. No further discussion. All in favor of the Consent Agenda; motion passes.

Citizen Open Forum

Mayor Dillan asked if anybody present wanted to address anything not on the agenda. No one came forward.

Public Hearings: Public Hearing on Proposed Property Tax Abatements-Milaca Junction Property - Public Hearing opened at 6:34 p.m. George Eilertson of Northland Securities present. He stated this project is related to 13.52 acres for commercial development, including retail and industrial. The city has made application to East Central Energy for a low interest loan that will fund approximately half of the loan which total is \$275,000. ECE, if awarded would finance \$137,500 for 10 years at 1 percent interest. The reason for tax abatement is ECE is asking for a pledge and the city can do a General Obligation pledge to ECE as their security for the loan. The city has the authority to do that general obligation pledge by going through the tax abatement process. This is the final step in the process. Parcels were identified that would have their city share of value equal to or exceed the value of the loan with ECE. Tax abatement not to exceed \$344,000, which is more than we need.

Mayor Dillan called for a motion to approve **Resolution #24-12 Approving Tax Abatements**. Motion made by Johnson, seconded by Larsen. No further discussion. All in favor, motion to approve Resolution #24-12 Approving Tax Abatements.

Public Hearing closed at 6:37 p.m.

Requests and Communications:

Ordinances and Resolutions

Resolution #24-13 Resolution Providing for the Issuance and Sale of \$600,000 General Obligation Street Reconstruction Bonds, Series 2024A and Levying a Tax for the Payment Thereof – George Eilertson explained that this Resolution is relating to the street projects. This is to finance 3rd Ave and SW River Drive. We have a 15-year finance structure for \$600,000. There is \$5,000 that the city needs to contribute to the project. Approval of this Resolution locks in the interest rate and as with previous bonds, it is a fixed rate financing with what you have a call date, which is the date you can refinance or prepay, that's out is 2032 with a final maturity of 2039. We have worked with Standard and Poors, the firm that provides a bond rating to the city. It's a smaller bond and the bond rating agency approached us and stated they would lower their fee of about \$1,500 to help with this bond. They have rated the city in the past with an AA-. Being in this category is very strong. You have very strong credit and you are in good annual operating results as well as your very strong reserves. This rating helps to drive the interest rate down. The interest rate for this bond is 3.88 percent.

Mayor Dillan called for a motion to approve Resolution #24-13. Motion by Larsen, seconded by Johnson. No further discussion. All in favor of Resolution #24-13 Resolution Providing for the Issuance and Sale of \$600,000 General Obligation Street Reconstruction Bonds, Series 2024A and Levying a Tax for the Payment Thereof. Resolution #24-13 passes.

Ordinance #522 Ordinance Enacting and Adopting a Supplement to the Code of Ordinances – First Reading - Mayor Dillan called for a motion to approve Ordinance #522. Motion by Larsen, seconded by Johnson. No further discussion. All in favor, Ordinance #522 passes.

Mayor Dillan called for a motion to waive the second reading of Ordinance #522. Motion made by Larsen, seconded by Johnson. No further discussion. All in favor, Ordinance #522 second reading passes.

Reports of Departments, Boards and Commissions

City Manager – City Manager Pfaff just stated city will be closing on the Pearson property on Friday at 9:30. She met with one of the businesses today and they are really anxious to get out there. She is working on the easement for the meat market for the sewer line. Circle K not being very cooperative but worse case scenario we have a 6-foot easement. Starting to work on the budget. The audit is nearing completion and they will be presenting on June 24.

Mayor Dillan stated that he wanted to thank Tammy and the staff for helping with the intern, Maggie Westling, from the school these past few months.

Police - Police Incident Summary Report – nothing more

Police – Trespass Notice – council has a redacted report as a handout. On April 29 an officer got a call to the trail head area for a report of a porta potty being tipped over. The caller then saw the same two juveniles out appearing to be hitting a bench on the trails with a stick. They did admit to tipping over the porta potty. The juveniles were very respectful toward the officer. On the 30th a notice was provided to both families that they were being trespassed from city property and that they could attend the council meeting and address council if they chose. At this point it would be up to council to decide a period of time, if any, to be trespassed from city property and trails.

Mayor Dillan stated that was our discussion. Johnson stated that they were very limited with information and feels the officer could make that recommendation or determination. With very few details, it would be hard for the council to make that decision. Chief Rasmussen’s opinion was that the juveniles were very respectful to the officer and his interaction. Officer did advise the juveniles to leave the park for the day and they did that. I don’t believe we had any previous issues with these juveniles. They have been put on notice so if anything continues, there is a potential that they won’t be able to utilize the city parks. I would forgo a trespass and with the conversation with the families that if anything happens, it is very likely that they will be trespassed at that point. City Manager Pfaff stated that typically we do a year trespass. Johnson asked if there was any damage done. Fire Chief Gerads stated that time there was no damage done but the time before the porta potty was graffitied. Chief Rasmussen stated there was no damage to the bench.

Mayor Dillan stated that if something was to be done, I think just being arrested would be enough but what if we did a month.

Larsen asked if they had been in trouble before as that could help in the decision. Chief Rasmussen stated that he didn’t believe they had issues with these juveniles. A month would put it to the 30th of this month as the notice was given on April 30th. Johnson then suggested two months to go to the end of June.

Everyone agreed to June 30th. Chief Rasmussen stated he would advise the families as to the decision.

Mayor Dilan called for a motion to approve 60 days trespass. Motion by Johnson, seconded by Larsen. All in favor, motion to trespass two juveniles for 60 days.

Parks –

Public Works - Quotes on Council Room Carpet – Mayor Dillan called for a motion to approve carpet in the council room. Johnson made a motion to approve MTM quote in the amount of \$5,932.00, seconded by Larsen. This would be this year project plus painting in the council room. No further discussion. All in favor, motion to approve MTM quote of \$5,935 passes.

Liquor Store –

Fire Department – Fire Chief Jesse Gerads stated that their fire engine may not get delivered now until the middle of 2025 due to miscommunication.

Planning and Zoning – Next meeting June 3

Airport-

New Business-

Call for a Special Meeting – June 4, 2024 at 6:30 p.m. for:

1. Approve Federal Grant Project Number B-23-CP-MN-0884 Airport Road Bid
2. Preliminary Plat Approval-Worth Custom Homes
3. Discuss Property Development

Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larsen. No further discussion. All in favor, motion to approve Special Meeting June 4 passes.

Special Event Application for Milaca Early Childhood Kiddie Parade – Mayor Dillan called for a motion to approve Special Event Application for Early Childhood Kiddie Parade. Motion by Johnson, seconded by Larsen. No further discussion. Special Event Application for Early Childhood Kiddie Parade passes.

Miscellaneous

Council Comments

Dillan stated he had one thing. The Mille Lacs County is updating their land use comprehensive plan and they have a survey online so you can give your input on land use for the county. I believe there will be some public hearings.

Chris Carlson from Borgholm Township stated that one thing he forgot to mention at the meeting was that he hopes that these Krypto currency mining computer deals – we have to get something in there for that. Out in Georgia they are like massive bee hives and the noise is just horrendous. If in sheds, not too bad but out in the open the noise is horrendous.

Adjourn:

Mayor Dillan called for a motion to adjourn. Motion made by Johnson, seconded by Larsen to adjourn. No further discussion. All in favor, motion to adjourn passes. Meeting adjourned at 6:56 p.m.

Mayor Dave Dillan

Attest:

Tammy Pfaff, City Manager

**CITY OF MILACA
SPECIAL COUNCIL MINUTES
June 4, 2024**

Pledge of Allegiance

Call to Order Roll Call

Mayor Dillan called the meeting of the Milaca City Council to order at 6:30 p.m.

Upon roll call, the following council members were present: Mayor Dave Dillan, Councilors: Norris Johnson, Lindsee Larsen, Laurie Gahm and Ken Muller.

Staff present: City Manager Tammy Pfaff and Assistant City Clerk Deloris Katke

Others present: Chris Carlson of Borgholm Township, Phil Gravel of Stantec and Chloe Smith.

Approval of Agenda

Mayor Dillan called for a motion to approve the agenda. Larsen made a motion for approval, seconded by Johnson. With no further discussion, all in favor of the approval of the agenda; motion passes.

New Business-

a. Approve Federal Grant Project Number B-23-CP-MN-0884 Airport Road Bid: Phil Gravel from Stantec was present. He stated bids for this project came in a lot higher than we had hoped. Contractors said it was due to inflation, fuel oil, materials and labor. We hoped to keep the bid closer to 1.7 million but now the whole project is 1.96 million. 6 bids were received with the low bid going to Northern Lines Contracting. If you want to proceed with the project, we would recommend awarding the project to them. The bid amount is \$1,575,00 for the construction and then there is the engineering costs (\$110,000) and soft costs (\$276,900) for a total estimated cost of \$1,962,200. The grant will take care of the road project of \$1,500,000 and then the sewer and water funds would pick up the balance of \$460,000. Project would start after the parade and be finished this summer except the second lift of paving wouldn't be done until 2025. There are some deep sewers running from Boulder Ridge to up north edge of the daycare. Sewer and water would be there for future development. The daycare does have city sewer and water. This project would connect them so they have shorter distances. There will be a new sewer running down the middle of 110th on the east side of the daycare. Same with the water. The sewer is only going 200 feet north of the daycare driveway. It's really deep there – about 25 feet.

When that lift station in Boulder Ridge was constructed, they ran the sewer line through their development and up to the east-west road and that is deep.

If you want to reject all bids, and run the risk of re-bidding it this winter, hoping things would be better next year, you have that option.

This bid is about \$250,000 more. Phil stated this project does not include putting up speed limit signs.

Mayor Dillan called for a motion to approve the low bid of \$1,575,256.20 to Northern Lines Contracting. Johnson made a motion for approval, seconded by Muller. No further discussion. All in favor of the bid of \$1,575,256.20 to Northern Lines Contracting. Motion passes.

b. Resolution #24-14 Approving Preliminary Plat for Worth Custom Homes- Mayor Dillan called for a motion to approve. Motion made by Johnson, seconded by Muller. City Manager Pfaff stated the preliminary plat approval went good at last night's Planning Commission meeting. Some of the property owners were present and just wanted to see how the project was developing. The neighborhood sounded like they were pretty happy with the new ponding location.

Johnson stated that they were going to start the project on the very south lot and build one 36 unit right off 10th and then the second property would be in view but it will be years down the road that the neighbors would lose their rustic view. Mayor Dillan asked if Jarod said anything on what his plans were for Lot 3. City Manager Pfaff stated that he may use the house that is currently there as a staging area for the construction crew so he would hold onto that house for a while. Possibly rent it out. No plans at this point.

Johnson stated the best case scenario would be to start this fall on the one apartment unit and then wait a couple years before he started on the second one.

City Manager did state that Jarod would like to get access off of 6th Ave NE so there is an access road for fire department. Phil Gravel commented that the road through the apartments and the water and sewer lines are private.

Mayor Dillan stated that grading would need to be addressed on his final plat. Dillan stated that there are currently some grading issues with the neighbors and we want to address this.

Gahm asked what percentage of his apartment building would be low-income. Pfaff stated that he decided not to do a TIF district.

Mayor Dillan asked if there was any further discussion. No further discussion. All in favor of Resolution #24-14 Approving Preliminary Plat for Worth Custom Homes. Motion passes.

*c. Discuss Property Development for the 13.52 acres-*City Manager Pfaff stated herself and Phil had a conversation before the meeting. Pfaff gathered some estimated costs: the street being at 305,800, sewer/water and some light within the road structure, gas lines, electric and surveying the lot. I checked with Stantec and Rum River. Stantec was \$13,000 and Rum River was \$ 27,470. The engineer costs were split between general, water and sewer funds. General would be \$443,800, Water \$166,250, and Sewer \$169,250 for a total estimated project of \$780,000. I did a little analysis today and in looking at just a few businesses that bring in city property taxes and just these 3 businesses are about \$10,000. I then did a water and sewer analysis of these three businesses for 2023 and that was over \$5,000 in revenue.

Before you, you will see maps. I think it would be best to start with a survey. There is one company that wants to get out there and purchase 5 acres. Pfaff stated it would be nice to get the survey so the 5 acres could be sold right away and in the future we could split the lot off as businesses approach us with their needs. Pfaff stated she would like to keep Stantec for the survey and the site plan (concept sketch). Pfaff stated that the business that really wants to get out there would be building approximately at 10,000 square foot building to allow semis to drive thru. Pfaff stated that it would be important to get the survey done and water and sewer and street design done.

Mayor Dillan stated the City of Milaca received an Empowering MN Small Cities grant with the University of Minnesota, which is a significant grant for us. I meet with them on Thursday and it will be a talk through about the application process. They would be able to be creative and look at the design and see what will work with what we want. They want this wrapped up in a year. This grant includes the bypass and the roundabouts. Mayor Dillan further stated that he is not sure if this bypass development is even something they can do, He will find out on Thursday. There were 100 plus some communities that applied and we were one of them.

EDC (Economic Development Committee) was pleased as to how the road would come into the development. We are trying to get the road to come in so the water runs off into the wetlands.

Muller asked what the average acreage was that a fast food like McDonalds would need. Pfaff stated the one in Mora sits on 2 acres. Gravel stated the average for fast food is 2 acres.

Mayor Dillan stated there would also be some land available by Sam Johnson's property and where the former Embers/MJ's restaurant was. Pfaff stated that the city was trying to get an easement through Circle K's property to get the sewer to the meat market and if that does not work, we have a 6 foot easement and we would put the sewer line right in there.

Muller stated that location is great for businesses who need exposure. Muller asked when they would be starting on the meat market. Pfaff stated that they just started on it yesterday. Mayor Dillan stated he was hoping to start up this fall.

Mayor Dillan asked if there were any other discussion. Pfaff asked the council if she should have Phil go ahead and get the sketch done on the property. Phil stated the survey would be the first to get done. Pfaff asked council if she should go ahead and get the survey done. Council stated that the survey has to be done. Johnson asked if there was an estimate on the cost and Pfaff advised him that Stantec was the \$13,000. No further discussion.

Mayor Dillan called for a motion to approve getting a survey completed by Stantec. Larsen made the motion to approve, seconded by Muller. All in favor. Motion passed to have Stantec conduct a survey for \$13,000.00.

Adjourn:

Mayor Dillan called for a motion to adjourn. Motion made by Johnson, seconded by Muller to adjourn. No further discussion. All in favor, motion to adjourn passes. Meeting adjourned at 7:05 p.m.

Mayor Dave Dillan

Attest:

Tammy Pfaff, City Manager

Check Number	Check Issue Date	Payee	Invoice Number	In S	Invoice GL Account	Invoice Amount	Check Amount	Description
51250	05/13/24	FRONTIER	011993-2-05	1	609-49750-321	181.97	181.97	PHONE SVC-LIQUOR STORE
51250	05/13/24	FRONTIER	032802-2-05	1	101-42280-321	53.17	53.17	PHONE SVC-FIRE (3465)
51250	05/13/24	FRONTIER	072480-2-05	1	602-49400-321	160.11	160.11	PHONE SVC-WATER (6134)
51250	05/13/24	FRONTIER	082197-2-05	1	602-49400-321	1.80	1.80	PHONE SVC-WATER (0121)
51250	05/13/24	FRONTIER	082488-2-05	1	101-49810-321	259.15	259.15	PHONE SVC-AIRPORT (2648)
Total 51250:							656.20	
51251	05/15/24	DEPUTY REGISTRAR #093	051524	1	101-43000-580	58.69	58.69	2000 FOREST RIVER TRAILER TITLE-PW
Total 51251:							58.69	
51252	05/16/24	Damien F. Toven & Associates, LL	1390	1	101-41610-304	4,000.00	4,000.00	CRIMINAL RETAINER
51252	05/16/24	Damien F. Toven & Associates, LL	1395	1	101-41610-304	1,075.00	1,075.00	CIVIL RETAINER
Total 51252:							5,075.00	
51253	05/17/24	HOME SECURITY ABSTRACT &	P-17877	1	200-46500-510	276,587.25	276,587.25	SETTLEMENT STMT-21-000-3040 PEARSON PR
Total 51253:							276,587.25	
51254	05/22/24	AMERICAN BOTTLING CO.	3568324128	1	609-49750-254	258.72	258.72	NA
Total 51254:							258.72	
51255	05/22/24	BELLBOY CORP.	0203598800	1	609-49750-253	190.00	190.00	WINE
51255	05/22/24	BELLBOY CORP.	0203598800	2	609-49750-251	1,891.50	1,891.50	LIQUOR
Total 51255:							2,081.50	
51256	05/22/24	BERNICKS	10214859	1	609-49750-254	24.60	24.60	NA
51256	05/22/24	BERNICKS	10214859	2	609-49750-252	3,195.90	3,195.90	BEER
51256	05/22/24	BERNICKS	10214860	1	609-49750-254	83.20	83.20	NA
51256	05/22/24	BERNICKS	10214861	1	609-49750-252	90.00-	90.00-	CREDIT BEER
51256	05/22/24	BERNICKS	10217306	1	609-49750-254	130.50	130.50	NA
51256	05/22/24	BERNICKS	10217306	2	609-49750-253	55.40	55.40	WINE
51256	05/22/24	BERNICKS	10217306	3	609-49750-252	1,234.80	1,234.80	BEER
51256	05/22/24	BERNICKS	10217307	1	609-49750-254	80.75	80.75	NA
Total 51256:							4,715.15	
51257	05/22/24	BOCKOVEN, SHARON	30-2100-00	1	001-10005	.53	.53	CREDIT ON FINAL WATER BILL
Total 51257:							.53	
51258	05/22/24	BREAKTHRU BEVERAGE MN	115704989	1	609-49750-251	2,344.21	2,344.21	LIQUOR
51258	05/22/24	BREAKTHRU BEVERAGE MN	115704989	2	609-49750-333	20.66	20.66	DELIVERY
51258	05/22/24	BREAKTHRU BEVERAGE MN	115843345	1	609-49750-251	2,196.60	2,196.60	LIQUOR
51258	05/22/24	BREAKTHRU BEVERAGE MN	115843345	2	609-49750-333	35.15	35.15	DELIVERY
Total 51258:							4,596.62	
51259	05/22/24	C & L DISTRIBUTING CO.	1898826	1	609-49750-252	15,531.70	15,531.70	BEER
51259	05/22/24	C & L DISTRIBUTING CO.	1898826	2	609-49750-251	244.20	244.20	LIQUOR
51259	05/22/24	C & L DISTRIBUTING CO.	1898826	3	609-49750-254	494.35	494.35	NA
51259	05/22/24	C & L DISTRIBUTING CO.	1898873	1	609-49750-251	111.56	111.56	LIQUOR
51259	05/22/24	C & L DISTRIBUTING CO.	1902737	1	609-49750-251	46.40	46.40	LIQUOR
51259	05/22/24	C & L DISTRIBUTING CO.	1902737	2	609-49750-253	304.90	304.90	WINE

Check Number	Check Issue Date	Payee	Invoice Number	In S	Invoice GL Account	Invoice Amount	Check Amount	Description
51259	05/22/24	C & L DISTRIBUTING CO.	1902737	3	609-49750-254	46.80	46.80	NA
51259	05/22/24	C & L DISTRIBUTING CO.	1902737	4	609-49750-252	17,024.45	17,024.45	BEER
51259	05/22/24	C & L DISTRIBUTING CO.	1902746	1	609-49750-254	89.00	89.00	NA
51259	05/22/24	C & L DISTRIBUTING CO.	1902746	2	609-49750-251	399.84	399.84	LIQUOR
51259	05/22/24	C & L DISTRIBUTING CO.	1902747	1	609-49750-252	215.94-	215.94-	CREDIT BEER
Total 51259:							34,077.26	
51260	05/22/24	CRYSTAL SPRINGS ICE	2009893	1	609-49750-259	182.00	182.00	OTHER FOR RESALE - ICE
51260	05/22/24	CRYSTAL SPRINGS ICE	2009893	2	609-49750-333	4.00	4.00	DELIVERY
Total 51260:							186.00	
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2178598	1	609-49750-251	841.10	841.10	LIQUOR
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2178598	2	609-49750-252	20,793.75	20,793.75	BEER
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2178598	3	609-49750-253	215.50	215.50	WINE
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2178598	4	609-49750-254	177.90	177.90	NA
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2178598	5	609-49750-259	30.40-	30.40-	CREDIT OTHER FOR RESALE
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2184157	1	609-49750-253	91.30	91.30	WINE
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2184157	2	609-49750-254	97.00	97.00	NA
51261	05/22/24	DAHLHEIMER DISTRIBUTING C	2184157	3	609-49750-252	13,301.80	13,301.80	BEER
Total 51261:							35,487.95	
51262	05/22/24	GRANITE CITY JOBBING	386835	1	609-49750-259	1,485.00	1,485.00	OTHER FOR RESALE
51262	05/22/24	GRANITE CITY JOBBING	386835	2	609-49750-333	10.00	10.00	DELIVERY
51262	05/22/24	GRANITE CITY JOBBING	386892	1	609-49750-259	2,020.00	2,020.00	OTHER FOR RESALE
51262	05/22/24	GRANITE CITY JOBBING	388050	1	609-49750-259	213.00	213.00	OTHER FOR RESALE
51262	05/22/24	GRANITE CITY JOBBING	388050	2	609-49750-256	259.77	259.77	TOBACCO
Total 51262:							3,987.77	
51263	05/22/24	INDIAN ISLAND WINERY	5514	1	609-49750-253	633.12	633.12	WINE
Total 51263:							633.12	
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2534306	1	609-49750-251	5,742.85	5,742.85	LIQUOR
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2534306	2	609-49750-333	60.33	60.33	DELIVERY
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2534307	1	609-49750-253	481.52	481.52	WINE
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2534307	2	609-49750-251	2,495.48	2,495.48	LIQUOR
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2534307	3	609-49750-333	88.32	88.32	DELIVERY
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2538864	1	609-49750-254	195.94	195.94	NA
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2538864	2	609-49750-253	184.00	184.00	WINE
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2538864	3	609-49750-251	3,182.06	3,182.06	LIQUOR
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2538864	4	609-49750-333	105.60	105.60	DELIVERY
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2538865	1	609-49750-251	398.00	398.00	LIQUOR
51264	05/22/24	JOHNSON BROTHERS LIQUOR	2538865	2	609-49750-333	3.84	3.84	DELIVERY
Total 51264:							12,937.94	
51265	05/22/24	LAFORE, STEVEN	11-4490-00	1	001-10005	5.00	5.00	CREDIT ON FINAL WATER BILL
Total 51265:							5.00	
51266	05/22/24	M. AMUNDSON LLP	382382	1	609-49750-259	2.50	2.50	OTHER FOR RESALE
51266	05/22/24	M. AMUNDSON LLP	382382	2	609-49750-256	156.84	156.84	TOBACCO

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Total 51266:							159.34	
51267	05/22/24	MID-MN INSPECTIONS LLC	1152	1	101-42400-310	7,400.67	7,400.67	CONTRACTED BLDG OFFICIAL-APRIL BILLING
Total 51267:							7,400.67	
51268	05/22/24	MILACA AREA TOURISM BUREA	MAR RECEI	1	101-31410	376.29	376.29	LODGING TAX-APRIL
Total 51268:							376.29	
51269	05/22/24	MILACA CHAMBER OF COMME	24-3897	1	101-33160	800.00	800.00	PARADE-GRANT #24-3897
Total 51269:							800.00	
51270	05/22/24	MILLE LACS COUNTY DAC	41210	1	101-41940-310	503.44	503.44	CLEANING SVCS-CITY HALL
51270	05/22/24	MILLE LACS COUNTY DAC	41210	2	101-45500-310	462.01	462.01	CLEANING SVCS - LIBRARY
51270	05/22/24	MILLE LACS COUNTY DAC	41210	3	101-42280-310	55.01	55.01	CLEANING SVCS - FIRE
51270	05/22/24	MILLE LACS COUNTY DAC	41210	4	101-45200-310	162.00	162.00	CLEANING SVCS - GORECKI CENTER
Total 51270:							1,182.46	
51271	05/22/24	PAUSTIS WINE COMPANY	236588	1	609-49750-253	318.00	318.00	WINE
51271	05/22/24	PAUSTIS WINE COMPANY	236588	2	609-49750-333	8.00	8.00	DELIVERY
Total 51271:							326.00	
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6778415	1	609-49750-253	330.50	330.50	WINE
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6778415	2	609-49750-254	54.25	54.25	NA
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6778415	3	609-49750-251	1,197.35	1,197.35	LIQUOR
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6778415	4	609-49750-333	42.57	42.57	DELIVERY
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6782055	1	609-49750-253	140.75	140.75	WINE
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6782055	2	609-49750-251	340.80	340.80	LIQUOR
51272	05/22/24	PHILLIPS WINE AND SPIRITS	6782055	3	609-49750-333	11.52	11.52	DELIVERY
Total 51272:							2,117.74	
51273	05/22/24	ROLLING FORKS VINEYARDS	1927	1	609-49750-253	612.00	612.00	WINE
Total 51273:							612.00	
51274	05/22/24	SOUTHERN GLAZERS OF MN	2481108	1	609-49750-251	7,942.44	7,942.44	LIQUOR
51274	05/22/24	SOUTHERN GLAZERS OF MN	2481108	2	609-49750-333	133.30	133.30	DELIVERY
51274	05/22/24	SOUTHERN GLAZERS OF MN	2481109	1	609-49750-253	1,266.56	1,266.56	WINE
51274	05/22/24	SOUTHERN GLAZERS OF MN	2481109	2	609-49750-333	35.65	35.65	DELIVERY
Total 51274:							9,377.95	
51275	05/22/24	VERIZON WIRELESS	9963674970	1	609-49750-321	40.03	40.03	DIGITAL SIGN 0868- LIQUOR STORE
51275	05/22/24	VERIZON WIRELESS	9963674970	2	101-43000-321	46.22	46.22	CELL PHONE SVC 4055-PW
Total 51275:							86.25	
51276	05/22/24	VIKING BOTTLING CO.	3436448	1	609-49750-254	153.20	153.20	NA
51276	05/22/24	VIKING BOTTLING CO.	3436547	1	609-49750-254	196.70	196.70	NA
Total 51276:							349.90	

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51277	05/22/24	VISA	8948-051324	1	101-45200-437	52.00	52.00	RESERVATION KEY
51277	05/22/24	VISA	8948-051324	3	101-42110-240	1,282.53	1,282.53	FIELDS AMMO-PD
51277	05/22/24	VISA	8948-051324	4	101-42110-437	9.68	9.68	USPS-PD
51277	05/22/24	VISA	8948-051324	5	101-45200-221	1,655.55	1,655.55	INTERSTATE BATTERY-PARKS
51277	05/22/24	VISA	8948-051324	6	101-49810-437	30.00	30.00	DOCKSIDE RESTAURANT-AIRPORT
51277	05/22/24	VISA	8948-051324	7	101-49810-437	19.74	19.74	WENDY'S-AIRPORT
51277	05/22/24	VISA	8948-051324	8	101-49810-437	170.73	170.73	BREEZY POINT-AIRPORT
51277	05/22/24	VISA	8948-051324	9	603-49450-208	202.94	202.94	BREEZY POINT-ROELOFS-SEWER
51277	05/22/24	VISA	8948-051324	10	603-49450-208	202.94	202.94	BREEZY POINT-KIRKEBY-SEWER
51277	05/22/24	VISA	8948-051324	11	603-49450-208	90.00	90.00	COMMANDER RESTAURANT-SEWER
51277	05/22/24	VISA	8948-051324	12	603-49450-208	90.00	90.00	EL TEQUILA MEXICAN-SEWER
51277	05/22/24	VISA	8948-051324	13	609-49750-217	188.09	188.09	CHRISTIAN BOOKS-LIQUOR
51277	05/22/24	VISA	8948-051324	14	603-49450-208	202.94	202.94	BREEZY POINT-KIRKEBY-SEWER
51277	05/22/24	VISA	8948-051324	15	603-49450-208	202.94	202.94	BREEZY POINT-ROELOFS-SEWER
Total 51277:							4,400.08	
51278	05/22/24	WATSON COMPANY	141901	1	609-49750-259	11.43	11.43	OTHER FOR RESALE
51278	05/22/24	WATSON COMPANY	141901	2	609-49750-256	611.30	611.30	TOBACCO
51278	05/22/24	WATSON COMPANY	141901	3	609-49750-333	6.00	6.00	DELIVERY
Total 51278:							628.73	
51279	05/22/24	WINE MERCHANTS	7472460	1	609-49750-253	5,375.10	5,375.10	WINE
51279	05/22/24	WINE MERCHANTS	7472460	2	609-49750-333	115.20	115.20	DELIVERY
Total 51279:							5,490.30	
51280	06/03/24	FIRST NATIONAL BANK MILACA	6152024	1	386-47000-611	4,075.00	4,075.00	2015 GO PARK BOND INT PMT
Total 51280:							4,075.00	
51281	06/03/24	MILLAM, JOEL	31-5150-00	1	001-10005	22.38	22.38	CREDIT ON FINAL WATER BILL
Total 51281:							22.38	
51282	06/03/24	TOTZKE, HARRY	11-4680-00	1	001-10005	24.40	24.40	CREDIT ON FINAL WATER BILL
Total 51282:							24.40	
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	1	101-41940-201	47.11	47.11	OFFICE SUPPLIES-CITY
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	2	101-41940-217	77.57	77.57	CLEANING SUPPLIES-CITY
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	3	101-41940-240	106.20	106.20	SECURITY EQUIPMENT-CITY
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	4	101-41940-401	96.95	96.95	DOOR CLOSERS-CITY
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	5	101-42110-240	179.99	179.99	STAND UP DESK-PD
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	6	101-42110-240	106.20	106.20	SECURITY EQUIPMENT-PD
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	7	101-43000-240	18.85	18.85	RECHARGEABLE BATTERY-PW
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	8	101-45200-240	197.98	197.98	PAINT SPRAYER-PARKS
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	9	101-45200-401	67.20	67.20	DOOR SWEEPS-PARKS
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	10	101-45500-217	103.16	103.16	CLEANING SUPPLIES-LIBRARY
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	11	602-49400-240	89.99	89.99	SMART HD TV-WATER
51284	06/14/24	AMAZON CAPITAL SERVICES	16HT-L6L7-6	12	609-49750-217	192.73	192.73	SUPPLIES-LIQUOR
Total 51284:							1,283.93	
51285	06/14/24	AT&T MOBILITY	2873260566	1	101-42280-321	38.23	38.23	FIRE TABLET
51285	06/14/24	AT&T MOBILITY	2873260566	1	101-42280-321	38.23-	38.23-	FIRE TABLET
51285	06/14/24	AT&T MOBILITY	2873260586	1	602-49400-321	158.92	158.92	WATER-4 LINES

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51285	06/14/24	AT&T MOBILITY	2873260586	1	602-49400-321	158.92-	158.92-	WATER-4 LINES
51285	06/14/24	AT&T MOBILITY	2873260586	2	101-43000-321	89.42	89.42	PUBLIC WORKS-2 LINES
51285	06/14/24	AT&T MOBILITY	2873260586	2	101-43000-321	89.42-	89.42-	PUBLIC WORKS-2 LINES
51285	06/14/24	AT&T MOBILITY	2873260586	3	101-41940-321	85.94	85.94	ADMINISTRATION-2 LINES
51285	06/14/24	AT&T MOBILITY	2873260586	3	101-41940-321	85.94-	85.94-	ADMINISTRATION-2 LINES
Total 51285:							.00	
51286	06/14/24	AT&T MOBILITY	2873260566	2	101-42110-321	456.53	456.53	POLICE-11 LINES
51286	06/14/24	AT&T MOBILITY	2873260566	2	101-42110-321	456.53-	456.53-	POLICE-11 LINES
Total 51286:							.00	
51287	06/14/24	AW RESEARCH LABORATORIE	62699	1	602-49400-310	107.00	107.00	COLIFORM BACTERIA/E.COLI TESTING
51287	06/14/24	AW RESEARCH LABORATORIE	62809	1	603-49450-310	1,234.34	1,234.34	AMMONIA, CHLORIDE & NITROGEN TESTING
Total 51287:							1,341.34	
51288	06/14/24	BELLBOY CORP.	0108422800	1	609-49750-254	295.00	295.00	NA
51288	06/14/24	BELLBOY CORP.	0203697800	1	609-49750-251	947.30	947.30	LIQUOR
51288	06/14/24	BELLBOY CORP.	0203764300	1	609-49750-251	1,608.10	1,608.10	LIQUOR
Total 51288:							2,850.40	
51289	06/14/24	BERNICKS	10220183	1	609-49750-252	1,186.60	1,186.60	BEER
51289	06/14/24	BERNICKS	10220184	1	609-49750-254	82.35	82.35	NA
51289	06/14/24	BERNICKS	10220185	1	609-49750-252	185.20-	185.20-	CREDIT BEER
51289	06/14/24	BERNICKS	10222767	1	609-49750-252	1,574.50	1,574.50	BEER
51289	06/14/24	BERNICKS	10222768	1	609-49750-254	100.80	100.80	NA
51289	06/14/24	BERNICKS	10225925	1	609-49750-252	3,258.80	3,258.80	BEER
51289	06/14/24	BERNICKS	10225926	1	609-49750-254	31.95	31.95	NA
Total 51289:							6,049.80	
51290	06/14/24	BIG J'S SERVICE STATION	001601	1	602-49400-212	396.36	396.36	GAS-WATER
51290	06/14/24	BIG J'S SERVICE STATION	001601	2	603-49450-212	396.35	396.35	GAS-SEWER
51290	06/14/24	BIG J'S SERVICE STATION	001601	3	101-45200-212	541.48	541.48	GAS-PARKS
51290	06/14/24	BIG J'S SERVICE STATION	001601	4	101-49810-212	255.00	255.00	GAS-AIRPORT
51290	06/14/24	BIG J'S SERVICE STATION	001601	5	101-42280-212	189.35	189.35	GAS-FIRE
51290	06/14/24	BIG J'S SERVICE STATION	001601	6	101-43000-212	288.56	288.56	GAS-PW
Total 51290:							2,067.10	
51291	06/14/24	BOLTON & MENK INC	0335546	1	101-49810-310	930.00	930.00	PARKING LOT AND ENTRANCE ROAD PROJECT
51291	06/14/24	BOLTON & MENK INC	0337236	1	101-49810-310	2,433.00	2,433.00	PARKING LOT AND ENTRANCE ROAD PROJECT
Total 51291:							3,363.00	
51292	06/14/24	BREAKTHRU BEVERAGE MN	115955662	1	609-49750-254	256.04	256.04	NA
51292	06/14/24	BREAKTHRU BEVERAGE MN	115955662	2	609-49750-251	1,984.04	1,984.04	LIQUOR
51292	06/14/24	BREAKTHRU BEVERAGE MN	115955662	3	609-49750-333	41.95	41.95	DELIVERY
51292	06/14/24	BREAKTHRU BEVERAGE MN	116052927	1	609-49750-252	142.50	142.50	BEER
51292	06/14/24	BREAKTHRU BEVERAGE MN	116057422	1	609-49750-251	6,831.70	6,831.70	LIQUOR
51292	06/14/24	BREAKTHRU BEVERAGE MN	116057422	2	609-49750-253	264.00	264.00	WINE
51292	06/14/24	BREAKTHRU BEVERAGE MN	116057422	3	609-49750-254	299.86	299.86	NA
51292	06/14/24	BREAKTHRU BEVERAGE MN	116057422	4	609-49750-333	99.90	99.90	DELIVERY
51292	06/14/24	BREAKTHRU BEVERAGE MN	116182463	1	609-49750-251	3,210.40	3,210.40	LIQUOR
51292	06/14/24	BREAKTHRU BEVERAGE MN	116182463	2	609-49750-333	62.90	62.90	DELIVERY

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Total 51292:							13,193.29	
51293	06/14/24	BRIDGETOWER OPCO, LLC	745696472	1	501-43100-405	332.22	332.22	FEDERAL GRANT AIRPORT RD BIDS
Total 51293:							332.22	
51294	06/14/24	BROTHERS FIRE & SECURITY	W33355	1	101-42110-310	51.25	51.25	FIRE EXTINGUISHER INSP - PD
Total 51294:							51.25	
51295	06/14/24	BUG COMMANDER PEST SOLU	17648	1	101-41940-310	57.98	57.98	WEED CONTROL-CITY HALL
51295	06/14/24	BUG COMMANDER PEST SOLU	17649	1	101-45500-310	69.00	69.00	WEED CONTROL-LIBRARY
51295	06/14/24	BUG COMMANDER PEST SOLU	17653	1	101-45600-310	79.00	79.00	WEED CONTROL-MUSEUM
51295	06/14/24	BUG COMMANDER PEST SOLU	17656	1	101-42280-310	119.00	119.00	WEED CONTROL-FIRE
51295	06/14/24	BUG COMMANDER PEST SOLU	17671	1	101-43000-310	129.00	129.00	WEED CONTROL-PW
51295	06/14/24	BUG COMMANDER PEST SOLU	17676	1	101-45200-310	309.00	309.00	WEED CONTROL-REINEKE PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	17694	1	101-45200-310	199.00	199.00	WEED CONTROL-TRIMBLE PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	17737	1	101-45200-310	1,529.00	1,529.00	WEED CONTROL-REC PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	17747	1	101-45200-310	69.00	69.00	WEED CONTROL-TRIMBLE PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	17748	1	101-45200-310	69.00	69.00	WEED CONTROL-REINEKE PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	17749	1	101-41940-310	49.00	49.00	WEED CONTROL-CITY HALL
51295	06/14/24	BUG COMMANDER PEST SOLU	17750	1	101-45500-310	59.00	59.00	WEED CONTROL-LIBRARY
51295	06/14/24	BUG COMMANDER PEST SOLU	17751	1	101-45600-310	49.00	49.00	WEED CONTROL-MUSEUM
51295	06/14/24	BUG COMMANDER PEST SOLU	17752	1	609-49750-310	49.00	49.00	WEED CONTROL-LIQUOR
51295	06/14/24	BUG COMMANDER PEST SOLU	17753	1	101-45200-310	169.00	169.00	WEED CONTROL-REC PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	18035	1	101-45200-310	259.00	259.00	MOSQUITO CONTROL-REC PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	18487	1	609-49750-310	49.00	49.00	WEED CONTROL-LIQUOR
51295	06/14/24	BUG COMMANDER PEST SOLU	18495	1	101-41940-310	49.00	49.00	WEED CONTROL-CITY HALL
51295	06/14/24	BUG COMMANDER PEST SOLU	18564	1	101-43000-310	249.00	249.00	WEED CONTROL-PARADE ROUTE
51295	06/14/24	BUG COMMANDER PEST SOLU	18674	1	101-45200-310	169.00	169.00	WEED CONTROL-REC PARK
51295	06/14/24	BUG COMMANDER PEST SOLU	18691	1	602-49400-310	89.00	89.00	WEED CONTROL-WATER TMT PLANT
Total 51295:							3,867.98	
51296	06/14/24	C & L DISTRIBUTING CO.	1905140	1	609-49750-251	1,412.50	1,412.50	LIQUOR
51296	06/14/24	C & L DISTRIBUTING CO.	1906972	1	609-49750-254	406.20	406.20	NA
51296	06/14/24	C & L DISTRIBUTING CO.	1906972	2	609-49750-252	3,699.20	3,699.20	BEER
51296	06/14/24	C & L DISTRIBUTING CO.	1906976	1	609-49750-252	18.60-	18.60-	CREDIT BEER
51296	06/14/24	C & L DISTRIBUTING CO.	1907125	1	609-49750-252	1,930.60	1,930.60	BEER
51296	06/14/24	C & L DISTRIBUTING CO.	1911779	1	609-49750-259	120.00	120.00	OTHER FOR RESALE
51296	06/14/24	C & L DISTRIBUTING CO.	1911780	1	609-49750-254	93.33-	93.33-	CREDIT NA
51296	06/14/24	C & L DISTRIBUTING CO.	1911780	2	609-49750-252	22.35-	22.35-	CREDIT BEER
51296	06/14/24	C & L DISTRIBUTING CO.	1911781	1	609-49750-251	33.25-	33.25-	CREDIT LIQUOR
51296	06/14/24	C & L DISTRIBUTING CO.	1911781	2	609-49750-252	13,957.25	13,957.25	BEER
51296	06/14/24	C & L DISTRIBUTING CO.	1911781	3	609-49750-254	324.98	324.98	NA
51296	06/14/24	C & L DISTRIBUTING CO.	1911781	4	609-49750-259	10.75-	10.75-	CREDIT OTHER FOR RESALE
51296	06/14/24	C & L DISTRIBUTING CO.	1915108	1	609-49750-259	414.00	414.00	OTHER FOR RESALE
51296	06/14/24	C & L DISTRIBUTING CO.	1915109	1	609-49750-251	2,401.00	2,401.00	LIQUOR
51296	06/14/24	C & L DISTRIBUTING CO.	1915109	2	609-49750-252	9,165.95	9,165.95	BEER
51296	06/14/24	C & L DISTRIBUTING CO.	1915109	3	609-49750-253	438.40	438.40	WINE
51296	06/14/24	C & L DISTRIBUTING CO.	1915109	4	609-49750-254	257.00	257.00	NA
51296	06/14/24	C & L DISTRIBUTING CO.	1915109	5	609-49750-259	50.00-	50.00-	CREDIT OTHER FOR RESALE
51296	06/14/24	C & L DISTRIBUTING CO.	2616000419	1	609-49750-251	19.67-	19.67-	CREDIT LIQUOR
51296	06/14/24	C & L DISTRIBUTING CO.	2692000521	1	609-49750-217	120.00	120.00	OTHER OPERATING SUPPLIES
51296	06/14/24	C & L DISTRIBUTING CO.	2692000532	1	609-49750-252	65.60-	65.60-	CREDIT BEER

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Total 51296:							34,333.53	
51297	06/14/24	CINTAS	4191740229	1	101-45200-310	54.54	54.54	RUGS-GCC
51297	06/14/24	CINTAS	4191740301	1	101-43000-434	123.97	123.97	UNIFORMS-PW
51297	06/14/24	CINTAS	4191740481	1	101-45500-310	45.06	45.06	RUGS-LIBRARY
51297	06/14/24	CINTAS	4191740546	1	101-41940-310	40.10	40.10	RUGS - CITY HALL
51297	06/14/24	CINTAS	4192461501	1	101-43000-434	145.81	145.81	UNIFORMS-PW
51297	06/14/24	CINTAS	4192461589	1	609-49750-310	96.61	96.61	RUGS - LIQUOR STORE
51297	06/14/24	CINTAS	4193173401	1	101-45200-310	49.49	49.49	RUGS - GCC
51297	06/14/24	CINTAS	4193173437	1	101-43000-434	299.23	299.23	UNIFORMS-PW
51297	06/14/24	CINTAS	4193173531	1	101-41940-310	18.97	18.97	RUGS - CITY HALL
51297	06/14/24	CINTAS	4193173591	1	101-45500-310	39.76	39.76	RUGS - LIBRARY
51297	06/14/24	CINTAS	4193871418	1	609-49750-310	96.61	96.61	RUGS - LIQUOR STORE
51297	06/14/24	CINTAS	4193871462	1	101-43000-434	135.33	135.33	UNIFORMS-PW
Total 51297:							1,145.48	
51298	06/14/24	CORE AND MAIN LP	R553416	1	602-49400-580	1,790.00-	1,790.00-	CREDIT FOR 3" OMNI INSTALLS
51298	06/14/24	CORE AND MAIN LP	U608151	1	602-49400-580	12,725.00	12,725.00	CIP AMI METER PROJECT
Total 51298:							10,935.00	
51299	06/14/24	CRYSTAL SPRINGS ICE	2010182	1	609-49750-259	223.68	223.68	OTHER FOR RESALE - ICE
51299	06/14/24	CRYSTAL SPRINGS ICE	2010182	2	609-49750-333	4.00	4.00	DELIVERY
51299	06/14/24	CRYSTAL SPRINGS ICE	503545	1	609-49750-259	523.92	523.92	OTHER FOR RESALE - ICE
51299	06/14/24	CRYSTAL SPRINGS ICE	503545	2	609-49750-333	4.00	4.00	DELIVERY
51299	06/14/24	CRYSTAL SPRINGS ICE	503618	1	609-49750-259	318.32	318.32	OTHER FOR RESALE - ICE
51299	06/14/24	CRYSTAL SPRINGS ICE	503618	2	609-49750-333	4.00	4.00	DELIVERY
Total 51299:							1,077.92	
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2178447	1	609-49750-252	14.40-	14.40-	CREDIT BEER
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2184278	1	609-49750-252	245.55-	245.55-	CREDIT BEER
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189138	1	609-49750-251	2,665.00	2,665.00	LIQUOR
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189138	2	609-49750-252	16,600.70	16,600.70	BEER
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189138	3	609-49750-253	346.60	346.60	WINE
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189138	4	609-49750-254	144.20	144.20	NA
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189138	5	609-49750-259	150.00	150.00	OTHER FOR RESALE
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189138	6	609-49750-260	90.00	90.00	DEPOSIT
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2189865	1	609-49750-252	161.10-	161.10-	CREDIT BEER
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2195694	1	609-49750-254	489.25	489.25	NA
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2195694	2	609-49750-260	150.00-	150.00-	DEPOSIT
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2195694	3	609-49750-251	138.50	138.50	LIQUOR
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2195694	4	609-49750-259	75.00	75.00	OTHER FOR RESALE
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2195694	5	609-49750-252	14,778.60	14,778.60	BEER
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2200296	1	609-49750-253	59.00	59.00	WINE
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2200296	2	609-49750-254	50.20	50.20	NA
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2200296	3	609-49750-260	30.00-	30.00-	DEPOSIT
51300	06/14/24	DAHLHEIMER DISTRIBUTING C	2200296	4	609-49750-252	10,534.95	10,534.95	BEER
Total 51300:							45,520.95	
51301	06/14/24	Damien F. Toven & Associates, LL	1410	1	101-41610-304	1,075.00	1,075.00	CIVIL RETAINER
51301	06/14/24	Damien F. Toven & Associates, LL	1411	1	101-41610-304	4,010.58	4,010.58	CRIMINAL RETAINER
Total 51301:							5,085.58	

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51302	06/14/24	DIAMOND MAPS	7250	1	602-49400-433	360.00	360.00	1 YR SUBSCRIPTION
Total 51302:							360.00	
51303	06/14/24	E.C.M. PUBLISHERS, INC.	996992	1	101-41110-351	88.55	88.55	PH CITY ABATEMENT
51303	06/14/24	E.C.M. PUBLISHERS, INC.	998021	1	101-41110-351	289.80	289.80	AIRPORT ROAD BIDS
Total 51303:							378.35	
51304	06/14/24	EARL F. ANDERSEN, INC.	0136153-IN	1	101-43000-403	87.95	87.95	AUTHORIZED PERSONNEL/NO ENTRY SIGNS
Total 51304:							87.95	
51305	06/14/24	EARL, COLE	060124	1	101-42280-208	379.90	379.90	MILEAGE FOR RANGER TRACK REPAIR
Total 51305:							379.90	
51306	06/14/24	ELYSIAN CONSTRUCTION	24-044M	1	101-42400-437	100.00	100.00	REFUND ON BLDG PERMIT-PERMIT FEE
51306	06/14/24	ELYSIAN CONSTRUCTION	24-044M	2	101-42400-437	2.00	2.00	REFUND ON BLDG PERMIT-SURCHARGE FEE
Total 51306:							102.00	
51307	06/14/24	FARM-RITE EQUIPMENT INC.	E05156	1	101-49810-580	7,900.00	7,900.00	TURBINE BLOWER-AIRPORT GRANT
Total 51307:							7,900.00	
51308	06/14/24	FLOWERPOT GREENHOUSE	000045	1	101-41940-225	975.00	975.00	PLANTED POTS DOWNTOWN
Total 51308:							975.00	
51309	06/14/24	FREESE, BRETT	060324	1	101-41120-308	50.00	50.00	06-03-24 PLANNING COMMISSION MTG
51309	06/14/24	FREESE, BRETT	111323	1	101-41120-308	50.00	50.00	11-13-23 PLANNING COMMISSION MTG
Total 51309:							100.00	
51310	06/14/24	FRONTIER	011993-2-06	1	609-49750-321	188.23	188.23	PHONE SVC-LIQUOR STORE
51310	06/14/24	FRONTIER	032802-2-06	1	101-42280-321	53.17	53.17	PHONE SVC-FIRE (3465)
51310	06/14/24	FRONTIER	072480-2-06	1	602-49400-321	160.11	160.11	PHONE SVC-WATER (6134)
51310	06/14/24	FRONTIER	082197-2-06	1	602-49400-321	1.80	1.80	PHONE SVC-WATER (0121)
51310	06/14/24	FRONTIER	082488-2-06	1	101-49810-321	259.15	259.15	PHONE SVC-AIRPORT (2648)
Total 51310:							662.46	
51311	06/14/24	GALLS INC	027889253	1	101-42110-434	43.81	43.81	BELT KEEPERS-QUINN
51311	06/14/24	GALLS INC	028016736	1	101-42110-434	149.37	149.37	SHIRTS-RUNYON-MARTINSON-PD
Total 51311:							193.18	
51312	06/14/24	GOPHER STATE ONE CALL	4050594	1	602-49400-310	49.95	49.95	MAY LOCATES
Total 51312:							49.95	
51313	06/14/24	GRANITE CITY JOBBING	388285	1	609-49750-259	380.00-	380.00-	CREDIT OTHER FOR RESALE
51313	06/14/24	GRANITE CITY JOBBING	388701	1	609-49750-259	1,264.20	1,264.20	OTHER FOR RESALE
51313	06/14/24	GRANITE CITY JOBBING	388701	2	609-49750-333	10.00	10.00	DELIVERY
51313	06/14/24	GRANITE CITY JOBBING	389513	1	609-49750-256	127.71	127.71	TOBACCO
51313	06/14/24	GRANITE CITY JOBBING	389513	2	609-49750-217	161.41	161.41	OTHER OPERATING SUPPLIES
51313	06/14/24	GRANITE CITY JOBBING	389513	3	609-49750-259	466.09	466.09	OTHER FOR RESALE

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51313	06/14/24	GRANITE CITY JOBBING	389891	1	609-49750-259	207.09	207.09	OTHER FOR RESALE
51313	06/14/24	GRANITE CITY JOBBING	389891	2	609-49750-333	10.00	10.00	DELIVERY
51313	06/14/24	GRANITE CITY JOBBING	390857	1	609-49750-259	79.90	79.90	OTHER FOR RESALE
51313	06/14/24	GRANITE CITY JOBBING	390857	2	609-49750-256	443.40	443.40	TOBACCO
51313	06/14/24	GRANITE CITY JOBBING	390937	1	609-49750-217	98.79	98.79	OTHER OPERATING SUPPLIES
51313	06/14/24	GRANITE CITY JOBBING	391022	1	609-49750-259	400.75	400.75	OTHER FOR RESALE
51313	06/14/24	GRANITE CITY JOBBING	391022	2	609-49750-333	10.00	10.00	DELIVERY
51313	06/14/24	GRANITE CITY JOBBING	392453	1	609-49750-217	5.97	5.97	OTHER OPERATING SUPPLIES
51313	06/14/24	GRANITE CITY JOBBING	392453	2	609-49750-254	36.00	36.00	NA
51313	06/14/24	GRANITE CITY JOBBING	392453	3	609-49750-256	94.45	94.45	TOBACCO
51313	06/14/24	GRANITE CITY JOBBING	392453	4	609-49750-259	1,421.34	1,421.34	OTHER FOR RESALE
51313	06/14/24	GRANITE CITY JOBBING	392453	5	609-49750-333	10.00	10.00	DELIVERY
Total 51313:							4,467.10	
51314	06/14/24	GREENWALD FARM CENTER, I	465970	1	101-49810-580	17,000.00	17,000.00	ROLLER-AIRPORT FED GRANT
Total 51314:							17,000.00	
51315	06/14/24	HAWKINS, INC.	6757031	1	602-49400-216	40.00	40.00	CHEMICALS
51315	06/14/24	HAWKINS, INC.	6766172	1	602-49400-216	2,769.76	2,769.76	CHEMICALS
Total 51315:							2,809.76	
51316	06/14/24	HJORT EXCAVATING	2024-149	1	603-49450-408	3,797.32	3,797.32	SEWER REPAIR
Total 51316:							3,797.32	
51317	06/14/24	HYDRONIC DISTRIBUTION CEN	21299	1	603-49450-409	4,280.00	4,280.00	5TH ST SE & 5TH AVE SE STORM SEWER
Total 51317:							4,280.00	
51318	06/14/24	HY-TECH AUTOMOTIVE	55939	1	101-49810-212	362.02	362.02	2011 CROWN VIC USED DOOR MODULE-AIRPO
51318	06/14/24	HY-TECH AUTOMOTIVE	56179	1	101-42110-212	508.06	508.06	2016 FORD INTERCEPTOR RADIATOR HOSE
Total 51318:							870.08	
51319	06/14/24	J.P. COOKE CO.	835261	1	101-41940-437	52.95	52.95	NOTARY STAMP-MARY N
Total 51319:							52.95	
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	211948-0601	1	101-42280-384	25.00	25.00	GARBAGE-FIRE
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	211948-0601	2	101-43000-312	300.00	300.00	COMPOST
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	211948-0601	3	101-41940-310	102.59	102.59	GARBAGE-CITY
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	211948-0601	4	101-45200-384	57.71	57.71	GARBAGE-PARKS
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	212276-0601	1	101-45200-384	127.98	127.98	GARBAGE-PARKS
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	219225-0601	1	609-49750-384	72.54	72.54	GARBAGE - LIQUOR
51320	06/14/24	JIMS MILLE LACS DISPOSAL IN	3249517-060	1	101-45200-415	148.39	148.39	CHANGING SHELTER
Total 51320:							834.21	
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2498722CR	1	609-49750-251	24.08-	24.08-	CREDIT LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2537665	1	609-49750-251	6,062.50	6,062.50	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2537665	2	609-49750-333	215.04	215.04	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2543365	1	609-49750-253	50.50	50.50	WINE
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2543365	2	609-49750-251	2,696.55	2,696.55	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2543365	3	609-49750-333	40.32	40.32	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2543366	1	609-49750-251	1,207.05	1,207.05	LIQUOR

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51321	06/14/24	JOHNSON BROTHERS LIQUOR	2543366	2	609-49750-333	13.44	13.44	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2546894	1	609-49750-251	691.60	691.60	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2546894	2	609-49750-333	4.17	4.17	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2548175	1	609-49750-251	3,459.40	3,459.40	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2548175	2	609-49750-333	32.64	32.64	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2548176	1	609-49750-253	240.00	240.00	WINE
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2548176	2	609-49750-251	2,350.00	2,350.00	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2548176	3	609-49750-333	61.44	61.44	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552412	1	609-49750-253	221.40	221.40	WINE
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552412	2	609-49750-333	5.76	5.76	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552867	1	609-49750-251	1,957.00	1,957.00	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552867	2	609-49750-333	19.20	19.20	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552868	1	609-49750-254	376.80	376.80	NA
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552868	2	609-49750-251	1,682.96	1,682.96	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552868	3	609-49750-253	1,502.00	1,502.00	WINE
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2552868	4	609-49750-333	67.86	67.86	DELIVERY
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2556195	1	609-49750-251	788.36	788.36	LIQUOR
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2556195	2	609-49750-253	99.25	99.25	WINE
51321	06/14/24	JOHNSON BROTHERS LIQUOR	2556195	3	609-49750-333	16.30	16.30	DELIVERY
Total 51321:							23,837.46	
51322	06/14/24	JOHNSON, ARLA	060124	1	101-41120-308	50.00	50.00	11-13-23 PLANNING COMMISSION MEETING
51322	06/14/24	JOHNSON, ARLA	060124	2	101-41120-308	50.00	50.00	06-03-24 PLANNING COMMISSION MEETING
Total 51322:							100.00	
51323	06/14/24	JONS DOOR SERVICE LLC	4337	1	602-49400-401	686.25	686.25	WATER TREATMENT GATE REPAIR
Total 51323:							686.25	
51324	06/14/24	KEVIN D. KRAFT	1057	1	609-49750-259	798.00	798.00	OTHER FOR RESALE
Total 51324:							798.00	
51325	06/14/24	KOCHS HARDWARE HANK	053124	1	101-41940-401	290.89	290.89	PAINT-CITY
51325	06/14/24	KOCHS HARDWARE HANK	053124	2	101-41940-437	45.96	45.96	CORDMATE/EXT. CORD-CITY
51325	06/14/24	KOCHS HARDWARE HANK	053124	3	101-43000-215	11.98	11.98	ANT KILLER-PW
51325	06/14/24	KOCHS HARDWARE HANK	053124	4	101-43000-240	51.97	51.97	FLASHLIGHT/EXT. CORD-PW
51325	06/14/24	KOCHS HARDWARE HANK	053124	5	101-45200-240	79.98	79.98	TRIMMER HEAD-PARKS
51325	06/14/24	KOCHS HARDWARE HANK	053124	6	101-45200-401	20.48	20.48	DOOR SWEEP-PARKS
51325	06/14/24	KOCHS HARDWARE HANK	053124	7	101-45200-437	50.44	50.44	MISC-PARKS
51325	06/14/24	KOCHS HARDWARE HANK	053124	8	101-49010-437	23.96	23.96	DROP CLOTH/FAUCET AERATOR-SR. CENTER
51325	06/14/24	KOCHS HARDWARE HANK	053124	9	101-49810-437	44.98	44.98	GLOVES/EAR PLUGS-AIRPORT
51325	06/14/24	KOCHS HARDWARE HANK	053124	10	602-49400-240	289.99	289.99	DEHUMIDIFIER-WATER
51325	06/14/24	KOCHS HARDWARE HANK	053124	11	602-49400-322	62.15	62.15	POSTAGE-WATER
51325	06/14/24	KOCHS HARDWARE HANK	053124	12	602-49400-437	37.48	37.48	WASHERS/BATTERY-WATER
51325	06/14/24	KOCHS HARDWARE HANK	053124	13	609-49750-217	26.83	26.83	MOP-LIQUOR
Total 51325:							1,037.09	
51326	06/14/24	KUPERUS, GREG	060324	1	101-41120-308	50.00	50.00	06-03-24 PLANNING COMMISSION MEETING
Total 51326:							50.00	
51327	06/14/24	L.E.L.S.	238-0624	1	101-21710	352.50	352.50	JUNE UNION DUES-PD

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Total 51327:							352.50	
51328	06/14/24	LATCHAM-LIND LUMBER, INC	32151	1	101-42280-401	1,486.70	1,486.70	ENTRY DOORS-FIRE
Total 51328:							1,486.70	
51329	06/14/24	LEAGUE OF MN CITIES INSUR	40000681-06	1	101-42280-151	12,313.13	12,313.13	WORKER'S COMP-FIRE
51329	06/14/24	LEAGUE OF MN CITIES INSUR	40000681-06	2	101-41940-151	44,476.53	44,476.53	WORKER'S COMP-CITY
51329	06/14/24	LEAGUE OF MN CITIES INSUR	40000681-06	3	602-49400-151	2,190.09	2,190.09	WORKER'S COMP-WATER
51329	06/14/24	LEAGUE OF MN CITIES INSUR	40000681-06	4	603-49450-151	2,626.09	2,626.09	WORKER'S COMP-SEWER
51329	06/14/24	LEAGUE OF MN CITIES INSUR	40000681-06	5	609-49750-151	5,386.16	5,386.16	WORKER'S COMP-LIQUOR
51329	06/14/24	LEAGUE OF MN CITIES INSUR	8984	1	101-41940-361	500.00	500.00	DEDUCTIBLE FOR CLAIM #000000348977
Total 51329:							67,492.00	
51330	06/14/24	M. AMUNDSON LLP	382813	1	609-49750-256	207.24	207.24	TOBACCO
51330	06/14/24	M. AMUNDSON LLP	383395	1	609-49750-259	20.00	20.00	OTHER FOR RESALE
51330	06/14/24	M. AMUNDSON LLP	383395	2	609-49750-256	904.93	904.93	TOBACCO
51330	06/14/24	M. AMUNDSON LLP	383396	1	609-49750-217	194.93	194.93	OTHER OPERATING SUPPLIES
Total 51330:							1,327.10	
51331	06/14/24	M.C.F.O.A.	01400	1	101-41310-310	50.00	50.00	06-01-24 TO 07-01-25 RENEWAL-PFAFF
Total 51331:							50.00	
51332	06/14/24	MACQUEEN EQUIPMENT	P29748	1	101-42280-221	1,745.00	1,745.00	SCBA FLOW TEST-FIRE
Total 51332:							1,745.00	
51333	06/14/24	MILACA AREA TOURISM BUREA	APR RECEIP	1	101-31410	488.43	488.43	LODGING TAX-MAY
Total 51333:							488.43	
51334	06/14/24	MILACA AUTO VALUE	1302823-052	1	101-42110-212	26.99	26.99	OIL SQUAD CARS-PD
Total 51334:							26.99	
51335	06/14/24	MILACA FIRE RELIEF ASSOC.	071324	1	609-49750-343	250.00	250.00	GOLF TOURNAMENT HOLE SPONSORSHIP
Total 51335:							250.00	
51336	06/14/24	MILACA UNCLAIMED FREIGHT	052824	1	101-43000-217	177.97	177.97	SPARE TIRE/TOW STRAPS-PW
Total 51336:							177.97	
51337	06/14/24	MILLAM, JOEL	060324	1	101-41120-308	50.00	50.00	11-13-23 PLANNING COMMISSION MEETING
51337	06/14/24	MILLAM, JOEL	060324	2	101-41120-308	50.00	50.00	06-03-24 PLANNING COMMISSION MEETING
Total 51337:							100.00	
51338	06/14/24	MILLE LACS CO. RECORDER	1473045700	1	101-42110-310	20.00	20.00	NOTARY RECORDING-RUNYON-MARTINSON, H
Total 51338:							20.00	
51339	06/14/24	MILLE LACS CO. SHERIFF	12246	1	101-42110-309	900.00	900.00	ARMER RENEWAL - POLICE
51339	06/14/24	MILLE LACS CO. SHERIFF	12247	1	101-42280-309	1,800.00	1,800.00	ARMER RENEWAL - FIRE

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51339	06/14/24	MILLE LACS CO. SHERIFF	12249	1	101-43000-309	100.00	100.00	ARMER RENEWAL - PW
Total 51339:							2,800.00	
51340	06/14/24	MILLE LACS COUNTY DAC	41247	1	101-41940-310	511.49	511.49	CLEANING SVCS - CITY
51340	06/14/24	MILLE LACS COUNTY DAC	41247	2	101-45500-310	430.15	430.15	CLEANING SVCS - LIBRARY
51340	06/14/24	MILLE LACS COUNTY DAC	41247	3	101-42280-310	33.71	33.71	CLEANING SVCS - FIRE
51340	06/14/24	MILLE LACS COUNTY DAC	41247	4	101-45200-310	185.98	185.98	CLEANING SVCS- GORECKI CENTER
Total 51340:							1,161.33	
51341	06/14/24	MILLER TRUCKING	7059	1	609-49750-333	98.95	98.95	DELIVERY
Total 51341:							98.95	
51342	06/14/24	MIMBACH FLEET SUPPLY	205124	1	101-45200-216	199.99	199.99	VEGETATION BARRIER-PARKS
Total 51342:							199.99	
51343	06/14/24	MN COMPUTER SYSTEMS INC	399597	1	101-41940-310	83.20	83.20	COPIER CONTRACT-CITY
Total 51343:							83.20	
51344	06/14/24	MN DEPT OF HEALTH	1480002-063	1	602-20810	2,430.00	2,430.00	2ND QTR TEST FEE
Total 51344:							2,430.00	
51345	06/14/24	MN PEIP	1393544	1	101-21706	30,371.94	30,371.94	MEDICAL INS-JUNE COVERAGE
Total 51345:							30,371.94	
51346	06/14/24	MOTOROLA	8281820633	1	101-42110-240	717.52	717.52	RADIOS/EARPIECES-PD
51346	06/14/24	MOTOROLA	8281838395	1	101-42110-240	1,461.88	1,461.88	RADIOS-PD
Total 51346:							2,179.40	
51347	06/14/24	NAPA CENTRAL MN	14381-05312	1	101-43000-221	164.93	164.93	HOSE FITTINGS-PW
Total 51347:							164.93	
51348	06/14/24	NORTHLAND SECURITIES INC	8085	1	355-47000-620	150.00	150.00	AGENCY FEE
Total 51348:							150.00	
51349	06/14/24	NORTHLAND TRUST SERVICES	MILACA19A-	1	388-47000-611	5,025.00	5,025.00	GO 2019A INTEREST
51349	06/14/24	NORTHLAND TRUST SERVICES	MILACA19A-	2	388-47000-620	495.00	495.00	AGENT ANNUAL FEE
51349	06/14/24	NORTHLAND TRUST SERVICES	MILACA21A-	1	303-47000-611	5,265.00	5,265.00	GO 2012A INTEREST
51349	06/14/24	NORTHLAND TRUST SERVICES	MILACA21A-	2	303-47000-620	495.00	495.00	AGENT ANNUAL FEE
51349	06/14/24	NORTHLAND TRUST SERVICES	MILACA22A-	1	350-47000-611	9,563.75	9,563.75	GO 2022A INTEREST
51349	06/14/24	NORTHLAND TRUST SERVICES	MILACA22A-	2	350-47000-620	495.00	495.00	AGENT ANNUAL FEE
Total 51349:							21,338.75	
51350	06/14/24	NOTHING BUT HEMP	1321	1	609-49750-259	500.00	500.00	OTHER FOR RESALE
Total 51350:							500.00	
51351	06/14/24	PAUSTIS WINE COMPANY	233372	1	609-49750-253	52.00-	52.00-	CREDIT WINE

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51351	06/14/24	PAUSTIS WINE COMPANY	233372	2	609-49750-333	1.50-	1.50-	CREDIT DELIVERY
51351	06/14/24	PAUSTIS WINE COMPANY	237877	1	609-49750-253	344.00	344.00	WINE
51351	06/14/24	PAUSTIS WINE COMPANY	237877	2	609-49750-333	15.00	15.00	DELIVERY
Total 51351:							305.50	
51352	06/14/24	PFAFF, TAMMY	051524	1	101-41310-208	45.16	45.16	MILEAGE REIMB- CIVIC TRAINING SARTELL
Total 51352:							45.16	
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6785560	1	609-49750-253	96.00	96.00	WINE
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6785560	2	609-49750-251	2,155.80	2,155.80	LIQUOR
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6785560	3	609-49750-333	51.84	51.84	DELIVERY
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6788572	1	609-49750-251	1,788.96	1,788.96	LIQUOR
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6788572	2	609-49750-333	51.84	51.84	DELIVERY
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6792898	1	609-49750-251	708.51	708.51	LIQUOR
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6792898	2	609-49750-253	983.00	983.00	WINE
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6792898	3	609-49750-254	88.00	88.00	NA
51353	06/14/24	PHILLIPS WINE AND SPIRITS	6792898	4	609-49750-333	63.36	63.36	DELIVERY
Total 51353:							5,987.31	
51354	06/14/24	QUILL CORPORATION	38767415	1	101-41940-201	161.55	161.55	PAPER/OFFICE SUPPLIES-CITY
51354	06/14/24	QUILL CORPORATION	38767415	2	101-41110-201	38.99	38.99	PAPER-COUNCIL
Total 51354:							200.54	
51355	06/14/24	RASINKSKI TOTAL DOOR SERVI	5015	1	609-49750-401	939.18	939.18	DOORE REPAIR-LIQUOR
Total 51355:							939.18	
51356	06/14/24	RED BULL DISTRIBUTION CO IN	5011225644	1	609-49750-254	168.00	168.00	NA
Total 51356:							168.00	
51357	06/14/24	S&P GLOBAL RATINGS	11474437	1	101-41940-310	10,400.00	10,400.00	2024 STREET PROJECT BOND RATING
Total 51357:							10,400.00	
51358	06/14/24	SELECT URGENT CARE LLC	796C28265	1	101-42280-305	110.00	110.00	NEW HIRE PHYSICAL-DREW SOLOMON-FIRE
51358	06/14/24	SELECT URGENT CARE LLC	796C28265	2	609-49750-310	279.60	279.60	DRUG SCREEN-HERMAN-LIQUOR
Total 51358:							389.60	
51359	06/14/24	SOUTHERN GLAZERS OF MN	2483933	1	609-49750-251	4,206.06	4,206.06	LIQUOR
51359	06/14/24	SOUTHERN GLAZERS OF MN	2483933	2	609-49750-333	47.27	47.27	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	2483934	1	609-49750-253	130.44	130.44	WINE
51359	06/14/24	SOUTHERN GLAZERS OF MN	2483934	2	609-49750-333	3.10	3.10	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	2486532	1	609-49750-251	1,235.43	1,235.43	LIQUOR
51359	06/14/24	SOUTHERN GLAZERS OF MN	2486532	2	609-49750-333	18.44	18.44	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	2486533	1	609-49750-253	161.40	161.40	WINE
51359	06/14/24	SOUTHERN GLAZERS OF MN	2486533	2	609-49750-333	4.65	4.65	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	2489435	1	609-49750-251	3,933.40	3,933.40	LIQUOR
51359	06/14/24	SOUTHERN GLAZERS OF MN	2489435	2	609-49750-333	59.67	59.67	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	2489436	1	609-49750-253	940.36	940.36	WINE
51359	06/14/24	SOUTHERN GLAZERS OF MN	2489436	2	609-49750-333	24.80	24.80	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	5110209	1	609-49750-251	52.35	52.35	LIQUOR
51359	06/14/24	SOUTHERN GLAZERS OF MN	5110209	2	609-49750-259	52.35-	52.35-	CREDIT OTHER FOR RESALE

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51359	06/14/24	SOUTHERN GLAZERS OF MN	5110209	3	609-49750-333	4.65	4.65	DELIVERY
51359	06/14/24	SOUTHERN GLAZERS OF MN	5110967	1	609-49750-333	3.12	3.12	DELIVERY
Total 51359:							10,772.79	
51360	06/14/24	STAR PUBLICATIONS	222906	1	609-49750-343	190.00	190.00	ADVERTISING
Total 51360:							190.00	
51361	06/14/24	STONEHEART GRANITE	053024	1	101-45200-225	760.00	760.00	REPLACED 17 BROKEN PAVER/EGGEN & SWE
Total 51361:							760.00	
51362	06/14/24	TACTICAL LLC	001234	1	609-49750-259	240.00	240.00	OTHER FOR RESALE
Total 51362:							240.00	
51363	06/14/24	TEALS MARKET	0000031410	1	101-41940-437	29.05	29.05	BATTERIES-CITY
Total 51363:							29.05	
51364	06/14/24	TOLZMAN, BRAD	060324	1	101-41120-308	50.00	50.00	11-13-23 PLANNING COMMISSION MEETING
51364	06/14/24	TOLZMAN, BRAD	060324	2	101-41120-308	50.00	50.00	06-03-24 PLANNING COMMISSION MEETING
Total 51364:							100.00	
51365	06/14/24	VIKING BOTTLING CO.	3449225	1	609-49750-254	223.20	223.20	NA
51365	06/14/24	VIKING BOTTLING CO.	3449302	1	609-49750-254	208.75	208.75	NA
51365	06/14/24	VIKING BOTTLING CO.	3449303	1	609-49750-254	21.32-	21.32-	CREDIT NA
Total 51365:							410.63	
51366	06/14/24	VINOCOPIA	0351522-IN	1	609-49750-254	120.00	120.00	NA
51366	06/14/24	VINOCOPIA	0351522-IN	2	609-49750-253	160.00	160.00	WINE
51366	06/14/24	VINOCOPIA	0351522-IN	3	609-49750-251	117.50	117.50	LIQUOR
51366	06/14/24	VINOCOPIA	0351522-IN	4	609-49750-333	18.00	18.00	DELIVERY
51366	06/14/24	VINOCOPIA	0352327-IN	1	609-49750-251	856.00	856.00	LIQUOR
51366	06/14/24	VINOCOPIA	0352327-IN	2	609-49750-333	12.50	12.50	DELIVERY
Total 51366:							1,284.00	
51367	06/14/24	WATSON COMPANY	142080	1	609-49750-259	77.10	77.10	OTHER FOR RESALE
51367	06/14/24	WATSON COMPANY	142080	2	609-49750-256	292.77	292.77	TOBACCO
51367	06/14/24	WATSON COMPANY	142080	3	609-49750-333	6.00	6.00	DELIVERY
51367	06/14/24	WATSON COMPANY	142254	1	609-49750-256	1,020.98	1,020.98	TOBACCO
51367	06/14/24	WATSON COMPANY	142254	2	609-49750-259	296.95	296.95	OTHER FOR RESALE
51367	06/14/24	WATSON COMPANY	142254	3	609-49750-333	6.00	6.00	DELIVERY
51367	06/14/24	WATSON COMPANY	142415	1	609-49750-259	57.15	57.15	OTHER FOR RESALE
51367	06/14/24	WATSON COMPANY	142415	2	609-49750-256	489.39	489.39	TOBACCO
51367	06/14/24	WATSON COMPANY	142415	3	609-49750-333	6.00	6.00	DELIVERY
Total 51367:							2,252.34	
51368	06/14/24	WEX BANK	97667467	1	101-42110-212	1,116.10	1,116.10	GAS-POLICE VEHICLES
51368	06/14/24	WEX BANK	97667467	2	101-43000-212	424.87	424.87	GAS-PW
Total 51368:							1,540.97	

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51369	06/14/24	WEYER ELECTRIC LLC	2236	1	101-42280-401	185.00	185.00	REPLACE BREAKER IN TRUCK GARAGE-FIRE
Total 51369:							185.00	
51370	06/14/24	YOST, EDWARD	INV188	1	101-41940-309	125.00	125.00	IT SERVICES-CITY
51370	06/14/24	YOST, EDWARD	INV188	2	101-42280-309	125.00	125.00	IT SERVICES-FIRE
51370	06/14/24	YOST, EDWARD	INV188	3	101-43000-309	125.00	125.00	IT SERVICES-PW
51370	06/14/24	YOST, EDWARD	INV188	4	602-49400-309	62.50	62.50	IT SERVICES-WATER
51370	06/14/24	YOST, EDWARD	INV188	5	603-49450-309	62.50	62.50	IT SERVICES-SEWER
51370	06/14/24	YOST, EDWARD	INV188	6	101-42110-310	125.00	125.00	IT SERVICES-PD
Total 51370:							625.00	
51371	06/14/24	ZARNOTH BRUSH WORKS, INC	0198111-IN	1	101-43000-221	1,133.80	1,133.80	SWEEPER PARTS-PW
Total 51371:							1,133.80	
51372	06/14/24	AT&T MOBILITY	2873260566	1	101-42280-321	38.23	38.23	FIRE TABLET
51372	06/14/24	AT&T MOBILITY	2873260566	2	101-42110-321	456.53	456.53	POLICE-11 LINES
Total 51372:							494.76	
51373	06/14/24	AT&T MOBILITY	2873260586	1	602-49400-321	158.92	158.92	WATER-4 LINES
51373	06/14/24	AT&T MOBILITY	2873260586	2	101-43000-321	89.42	89.42	PUBLIC WORKS-2 LINES
51373	06/14/24	AT&T MOBILITY	2873260586	3	101-41940-321	85.94	85.94	ADMINISTRATION-2 LINES
Total 51373:							334.28	
821533	05/14/24	MN DEPT OF REVENUE	APR LIQ TAX	1	609-20800	21,405.00	21,405.00	LIQUOR SALES TAX
Total 821533:							21,405.00	
821534	05/14/24	MN DEPT OF REVENUE	APR WAT TA	1	602-20800	420.00	420.00	W/S SALES TAX
821534	05/14/24	MN DEPT OF REVENUE	APR WAT TA	2	101-34780	11.00	11.00	SALES TAX-RESERVATION FEE
821534	05/14/24	MN DEPT OF REVENUE	APR WAT TA	3	101-36200	12.00	12.00	SALES TAX - MISC
Total 821534:							443.00	
821535	06/11/24	BENTON COMMUNICATIONS	0238009623-	1	101-42280-321	100.12	100.12	PHONE SERVICE - FIRE
Total 821535:							100.12	
821536	06/11/24	BENTON COMMUNICATIONS	0238009658-	1	101-41940-321	237.40	237.40	PHONE SERVICE - CITY HALL
821536	06/11/24	BENTON COMMUNICATIONS	0238009658-	2	101-45500-321	45.52	45.52	PHONE SERVICE - LIBRARY
821536	06/11/24	BENTON COMMUNICATIONS	0238009658-	3	101-45200-321	45.51	45.51	PHONE SERVICE - PARKS
821536	06/11/24	BENTON COMMUNICATIONS	0238009658-	4	101-43000-321	174.80	174.80	PHONE SERVICE - PW
821536	06/11/24	BENTON COMMUNICATIONS	0238009658-	5	101-42110-321	197.40	197.40	PHONE SERVICE - POLICE
821536	06/11/24	BENTON COMMUNICATIONS	0238009658-	6	619-49900-321	75.76	75.76	PHONE SERVICE - DEP REG
Total 821536:							776.39	
821537	06/11/24	CENTERPOINT ENERGY	5826769-1-0	1	609-49750-381	183.20	183.20	LIQUOR STORE
Total 821537:							183.20	
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	1	101-42280-381	76.20	76.20	FIRE HALL
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	2	208-45600-381	134.25	134.25	HISTORICAL SOCIETY
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	3	101-43000-381	556.20	556.20	PUBLIC WORKS

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821538	06/11/24	CENTERPOINT ENERGY	8000014099-	4	101-49010-381	75.87	75.87	SENIOR CENTER
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	5	101-41940-381	189.60	189.60	CITY HALL
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	6	602-49400-381	334.99	334.99	WATER PLANT
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	7	101-45500-381	377.33	377.33	LIBRARY
821538	06/11/24	CENTERPOINT ENERGY	8000014099-	8	101-45200-381	60.66	60.66	GORECKI BLDG
Total 821538:							1,805.10	
821539	06/11/24	CITY HIVE INC	665B31EA22	1	609-49750-310	99.00	99.00	LIQUOR WEBSITE-MAY
Total 821539:							99.00	
821540	06/11/24	DELTA DENTAL OF MN	CNS0001553	1	101-21712	2,029.05	2,029.05	DENTAL INS-JUNE
Total 821540:							2,029.05	
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	1	101-43000-381	426.36	426.36	PW
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	2	101-49010-381	132.32	132.32	SENIOR CENTER
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	3	101-49810-381	245.66	245.66	AIRPORT
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	4	101-45200-381	205.24	205.24	PARKS
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	5	101-43000-380	3,058.67	3,058.67	STREET LIGHTS
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	6	101-42110-437	136.61	136.61	PUBLIC SAFETY
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	7	208-45600-381	194.29	194.29	HISTORICAL SOCIETY
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	8	101-45500-381	684.14	684.14	LIBRARY
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	9	602-49400-381	2,704.85	2,704.85	WATER DEPT
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	10	603-49450-381	1,158.80	1,158.80	SEWER DEPT
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	11	101-42280-381	894.12	894.12	FIRE HALL
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	12	101-41940-381	734.30	734.30	CITY HALL
821541	06/11/24	EAST CENTRAL ENERGY	832400-0524	13	609-49750-381	2,035.42	2,035.42	LIQUOR STORE
Total 821541:							12,610.78	
821542	06/11/24	FURTHER-HSA	060124	1	101-21705	8,695.00	8,695.00	JUNE HSA CONTRIBUTIONS
Total 821542:							8,695.00	
821543	06/11/24	MIDCONTINENT COMMUNICATI	14799080114	1	101-42110-321	143.39	143.39	INTERNET- POLICE
Total 821543:							143.39	
821544	06/11/24	MN DEPT OF REVENUE	MAY LIQ TAX	1	609-20800	27,795.00	27,795.00	LIQUOR SALES TAX
Total 821544:							27,795.00	
821545	06/11/24	MN DEPT OF REVENUE	MAY WAT TA	1	602-20800	341.00	341.00	W/S SALES TAX
821545	06/11/24	MN DEPT OF REVENUE	MAY WAT TA	2	101-34780	66.00	66.00	SALES TAX-RESERVATION FEE
821545	06/11/24	MN DEPT OF REVENUE	MAY WAT TA	3	101-36200	7.00	7.00	SALES TAX - MISC
Total 821545:							414.00	
821546	06/11/24	NCPERS GROUP LIFE INS	6272000620	1	101-21709	112.00	112.00	GROUP LIFE INS-JUNE
Total 821546:							112.00	
821547	06/11/24	SOUTHERN GLAZERS OF MN	2134064541	1	609-49750-437	1,013.85	1,013.85	MISC TO CATCH UP ON CREDITS
Total 821547:							1,013.85	

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821548	06/11/24	UNUM	0691590-001	1	101-21707	1,139.79	1,139.79	LIFE, STD, LTD-JUNE 2024
Total 821548:							1,139.79	
992405221	05/20/24	AMERICAN FDS	PR0519241	1	101-21708	325.00	325.00	AMERICAN FUNDS AMERICAN FUNDS Pay Per
Total 992405221:							325.00	
992405222	05/20/24	EFTPS-FED TAXPAYMENT	PR0519241	1	101-21703	3,157.98	3,157.98	FED/SSI/MEDICARE SOCIAL SECURITY Pay Pe
992405222	05/20/24	EFTPS-FED TAXPAYMENT	PR0519241	2	101-21701	5,518.54	5,518.54	FED/SSI/MEDICARE FEDERAL WITHHOLDING T
992405222	05/20/24	EFTPS-FED TAXPAYMENT	PR0519241	3	101-21703	3,157.98	3,157.98	FED/SSI/MEDICARE SOCIAL SECURITY Pay Pe
992405222	05/20/24	EFTPS-FED TAXPAYMENT	PR0519241	4	101-21703	983.44	983.44	FED/SSI/MEDICARE MEDICARE Pay Period: 5/1
992405222	05/20/24	EFTPS-FED TAXPAYMENT	PR0519241	5	101-21703	983.44	983.44	FED/SSI/MEDICARE MEDICARE Pay Period: 5/1
Total 992405222:							13,801.38	
992405223	05/20/24	GOVONE SOLUTIONS	PR0519241	1	101-21704	3,073.31	3,073.31	PERA PERA PROTECTIVE Pay Period: 5/19/202
992405223	05/20/24	GOVONE SOLUTIONS	PR0519241	2	101-21704	3,255.61	3,255.61	PERA PERA COORDINATED Pay Period: 5/19/20
992405223	05/20/24	GOVONE SOLUTIONS	PR0519241	3	101-21704	3,756.50	3,756.50	PERA PERA COORDINATED Pay Period: 5/19/20
992405223	05/20/24	GOVONE SOLUTIONS	PR0519241	4	101-21704	2,048.90	2,048.90	PERA PERA PROTECTIVE Pay Period: 5/19/202
Total 992405223:							12,134.32	
992405224	05/20/24	MN-STATE TAXPAYMENT	PR0519241	1	101-21702	2,678.09	2,678.09	SWT STATE WITHHOLDING TAX Pay Period: 5/1
Total 992405224:							2,678.09	
992406051	06/03/24	AMERICAN FDS	PR0602241	1	101-21708	325.00	325.00	AMERICAN FUNDS AMERICAN FUNDS Pay Per
Total 992406051:							325.00	
992406052	06/03/24	EFTPS-FED TAXPAYMENT	PR0602241	1	101-21703	2,843.05	2,843.05	FED/SSI/MEDICARE SOCIAL SECURITY Pay Pe
992406052	06/03/24	EFTPS-FED TAXPAYMENT	PR0602241	2	101-21701	4,952.30	4,952.30	FED/SSI/MEDICARE FEDERAL WITHHOLDING T
992406052	06/03/24	EFTPS-FED TAXPAYMENT	PR0602241	3	101-21703	2,843.05	2,843.05	FED/SSI/MEDICARE SOCIAL SECURITY Pay Pe
992406052	06/03/24	EFTPS-FED TAXPAYMENT	PR0602241	4	101-21703	905.39	905.39	FED/SSI/MEDICARE MEDICARE Pay Period: 6/2
992406052	06/03/24	EFTPS-FED TAXPAYMENT	PR0602241	5	101-21703	905.39	905.39	FED/SSI/MEDICARE MEDICARE Pay Period: 6/2
Total 992406052:							12,449.18	
992406053	06/03/24	GOVONE SOLUTIONS	PR0602241	1	101-21704	3,019.86	3,019.86	PERA PERA PROTECTIVE Pay Period: 6/2/2024
992406053	06/03/24	GOVONE SOLUTIONS	PR0602241	2	101-21704	3,032.58	3,032.58	PERA PERA COORDINATED Pay Period: 6/2/202
992406053	06/03/24	GOVONE SOLUTIONS	PR0602241	3	101-21704	3,499.11	3,499.11	PERA PERA COORDINATED Pay Period: 6/2/202
992406053	06/03/24	GOVONE SOLUTIONS	PR0602241	4	101-21704	2,013.24	2,013.24	PERA PERA PROTECTIVE Pay Period: 6/2/2024
Total 992406053:							11,564.79	
992406054	06/03/24	MN-STATE TAXPAYMENT	PR0602241	1	101-21702	2,464.26	2,464.26	SWT STATE WITHHOLDING TAX Pay Period: 6/2
Total 992406054:							2,464.26	
Grand Totals:							931,371.75	

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
001-10005	52.31	.00	52.31
001-20200	.00	52.31-	52.31-
101-20200	670.12	255,418.67-	254,748.55-
101-21701	10,470.84	.00	10,470.84
101-21702	5,142.35	.00	5,142.35
101-21703	15,779.72	.00	15,779.72
101-21704	23,699.11	.00	23,699.11
101-21705	8,695.00	.00	8,695.00
101-21706	30,371.94	.00	30,371.94
101-21707	1,139.79	.00	1,139.79
101-21708	650.00	.00	650.00
101-21709	112.00	.00	112.00
101-21710	352.50	.00	352.50
101-21712	2,029.05	.00	2,029.05
101-31410	864.72	.00	864.72
101-33160	800.00	.00	800.00
101-34780	77.00	.00	77.00
101-36200	19.00	.00	19.00
101-41110-201	38.99	.00	38.99
101-41110-351	378.35	.00	378.35
101-41120-308	450.00	.00	450.00
101-41310-208	45.16	.00	45.16
101-41310-310	50.00	.00	50.00
101-41610-304	10,160.58	.00	10,160.58
101-41940-151	44,476.53	.00	44,476.53
101-41940-201	208.66	.00	208.66
101-41940-217	77.57	.00	77.57
101-41940-225	975.00	.00	975.00
101-41940-240	106.20	.00	106.20
101-41940-309	125.00	.00	125.00
101-41940-310	11,815.77	.00	11,815.77
101-41940-321	409.28	85.94-	323.34
101-41940-361	500.00	.00	500.00
101-41940-381	923.90	.00	923.90
101-41940-401	387.84	.00	387.84
101-41940-437	127.96	.00	127.96
101-42110-212	1,651.15	.00	1,651.15
101-42110-240	3,748.12	.00	3,748.12
101-42110-309	900.00	.00	900.00
101-42110-310	196.25	.00	196.25
101-42110-321	1,253.85	456.53-	797.32
101-42110-434	193.18	.00	193.18
101-42110-437	146.29	.00	146.29
101-42280-151	12,313.13	.00	12,313.13
101-42280-208	379.90	.00	379.90
101-42280-212	189.35	.00	189.35
101-42280-221	1,745.00	.00	1,745.00
101-42280-305	110.00	.00	110.00
101-42280-309	1,925.00	.00	1,925.00
101-42280-310	207.72	.00	207.72
101-42280-321	282.92	38.23-	244.69
101-42280-381	970.32	.00	970.32
101-42280-384	25.00	.00	25.00
101-42280-401	1,671.70	.00	1,671.70
101-42400-310	7,400.67	.00	7,400.67
101-42400-437	102.00	.00	102.00
101-43000-212	713.43	.00	713.43

GL Account	Debit	Credit	Proof
101-43000-215	11.98	.00	11.98
101-43000-217	177.97	.00	177.97
101-43000-221	1,298.73	.00	1,298.73
101-43000-240	70.82	.00	70.82
101-43000-309	225.00	.00	225.00
101-43000-310	378.00	.00	378.00
101-43000-312	300.00	.00	300.00
101-43000-321	399.86	89.42-	310.44
101-43000-380	3,058.67	.00	3,058.67
101-43000-381	982.56	.00	982.56
101-43000-403	87.95	.00	87.95
101-43000-434	704.34	.00	704.34
101-43000-580	58.69	.00	58.69
101-45200-212	541.48	.00	541.48
101-45200-216	199.99	.00	199.99
101-45200-221	1,655.55	.00	1,655.55
101-45200-225	760.00	.00	760.00
101-45200-240	277.96	.00	277.96
101-45200-310	3,224.01	.00	3,224.01
101-45200-321	45.51	.00	45.51
101-45200-381	265.90	.00	265.90
101-45200-384	185.69	.00	185.69
101-45200-401	87.68	.00	87.68
101-45200-415	148.39	.00	148.39
101-45200-437	102.44	.00	102.44
101-45500-217	103.16	.00	103.16
101-45500-310	1,104.98	.00	1,104.98
101-45500-321	45.52	.00	45.52
101-45500-381	1,061.47	.00	1,061.47
101-45600-310	128.00	.00	128.00
101-49010-381	208.19	.00	208.19
101-49010-437	23.96	.00	23.96
101-49810-212	617.02	.00	617.02
101-49810-310	3,363.00	.00	3,363.00
101-49810-321	518.30	.00	518.30
101-49810-381	245.66	.00	245.66
101-49810-437	265.45	.00	265.45
101-49810-580	24,900.00	.00	24,900.00
200-20200	.00	276,587.25-	276,587.25-
200-46500-510	276,587.25	.00	276,587.25
208-20200	.00	328.54-	328.54-
208-45600-381	328.54	.00	328.54
303-20200	.00	5,760.00-	5,760.00-
303-47000-611	5,265.00	.00	5,265.00
303-47000-620	495.00	.00	495.00
350-20200	.00	10,058.75-	10,058.75-
350-47000-611	9,563.75	.00	9,563.75
350-47000-620	495.00	.00	495.00
355-20200	.00	150.00-	150.00-
355-47000-620	150.00	.00	150.00
386-20200	.00	4,075.00-	4,075.00-
386-47000-611	4,075.00	.00	4,075.00
388-20200	.00	5,520.00-	5,520.00-
388-47000-611	5,025.00	.00	5,025.00
388-47000-620	495.00	.00	495.00
501-20200	.00	332.22-	332.22-
501-43100-405	332.22	.00	332.22
602-20200	1,948.92	26,828.02-	24,879.10-
602-20800	761.00	.00	761.00

GL Account	Debit	Credit	Proof
602-20810	2,430.00	.00	2,430.00
602-49400-151	2,190.09	.00	2,190.09
602-49400-212	396.36	.00	396.36
602-49400-216	2,809.76	.00	2,809.76
602-49400-240	379.98	.00	379.98
602-49400-309	62.50	.00	62.50
602-49400-310	245.95	.00	245.95
602-49400-321	641.66	158.92-	482.74
602-49400-322	62.15	.00	62.15
602-49400-381	3,039.84	.00	3,039.84
602-49400-401	686.25	.00	686.25
602-49400-433	360.00	.00	360.00
602-49400-437	37.48	.00	37.48
602-49400-580	12,725.00	1,790.00-	10,935.00
603-20200	.00	14,547.16-	14,547.16-
603-49450-151	2,626.09	.00	2,626.09
603-49450-208	991.76	.00	991.76
603-49450-212	396.35	.00	396.35
603-49450-309	62.50	.00	62.50
603-49450-310	1,234.34	.00	1,234.34
603-49450-381	1,158.80	.00	1,158.80
603-49450-408	3,797.32	.00	3,797.32
603-49450-409	4,280.00	.00	4,280.00
609-20200	1,967.39	336,224.50-	334,257.11-
609-20800	49,200.00	.00	49,200.00
609-49750-151	5,386.16	.00	5,386.16
609-49750-217	988.75	.00	988.75
609-49750-251	86,522.36	77.00-	86,445.36
609-49750-252	147,912.05	1,018.74-	146,893.31
609-49750-253	16,235.00	52.00-	16,183.00
609-49750-254	6,041.49	114.65-	5,926.84
609-49750-256	4,608.78	.00	4,608.78
609-49750-259	11,567.42	523.50-	11,043.92
609-49750-260	90.00	180.00-	90.00-
609-49750-310	669.82	.00	669.82
609-49750-321	410.23	.00	410.23
609-49750-333	1,908.25	1.50-	1,906.75
609-49750-343	440.00	.00	440.00
609-49750-381	2,218.62	.00	2,218.62
609-49750-384	72.54	.00	72.54
609-49750-401	939.18	.00	939.18
609-49750-437	1,013.85	.00	1,013.85
619-20200	.00	75.76-	75.76-
619-49900-321	75.76	.00	75.76
Grand Totals:	<u>940,544.61</u>	<u>940,544.61-</u>	<u>.00</u>

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

City of Milaca, Minnesota

Audited Financial Statements

For The Year Ended
December 31, 2023

**SCHLENNER
WENNER & Co.**
CPAs

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**INTRODUCTORY
SECTION**

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

CITY COUNCIL

Term Expires

Dave Dillan	Mayor	December 31, 2024
Laurie Gahm	Council Member	December 31, 2024
Norris Johnson	Council Member	December 31, 2026
Lindsee Larsen	Council Member	December 31, 2024
Ken Muller	Council Member	December 31, 2026

CITY OFFICIALS

Tammy Pfaff	Manager
Elizabeth Nealley	Treasurer

**FINANCIAL
SECTION**

INDEPENDENT AUDITOR'S REPORT

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City 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.

Emphasis of Matter

As discussed in Note 1.H. to the financial statements, the City has elected to change its method of accounting for the pension balances and activity of the Milaca Fire Department during the year ended December 31, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension schedules listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual nonmajor fund financial statements and supplemental schedules, and schedule of indebtedness are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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 and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and schedule of indebtedness have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024 on our consideration of the City of Milaca's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Milaca's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Milaca's internal control over financial reporting and compliance.



SCHLENNER WENNER & CO.

St. Cloud, Minnesota

June 11, 2024

BASIC FINANCIAL STATEMENTS

**CITY OF MILACA, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash, Cash Equivalents, and Investments	\$ 2,874,005	\$ 2,565,675	\$ 5,439,680
Property Taxes Receivable	77,490	-	77,490
Assessments Receivable	3,883	7,417	11,300
Accounts Receivable	19,334	70,918	90,252
Interest Receivable	15,643	-	15,643
Lease Receivables	98,935	305,096	404,031
Due from Other Governments	143,316	-	143,316
Inventory	-	554,374	554,374
Prepays	51,531	14,701	66,232
Noncurrent Assets:			
Capital Assets Not Being Depreciated	485,264	496,897	982,161
Capital Assets Being Depreciated (Net)	7,885,388	4,373,364	12,258,752
Net Pension Asset	190,041	-	190,041
TOTAL ASSETS	11,844,830	8,388,442	20,233,272
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	1,171,447	126,510	1,297,957
LIABILITIES			
Accounts Payable	80,872	178,313	259,185
Salaries Payable	35,137	23,706	58,843
Accrued Interest Payable	23,828	7,035	30,863
Construction Contracts Payable	6,476	-	6,476
Deposits Payable	-	17,846	17,846
Payroll Deductions and Employer Contributions	6,472	-	6,472
Noncurrent Liabilities:			
Amount Due Within One Year	225,104	236,000	461,104
Amount Due After One Year	1,906,478	675,414	2,581,892
Net Pension Liability	884,119	432,466	1,316,585
TOTAL LIABILITIES	3,168,486	1,570,780	4,739,266
DEFERRED INFLOWS OF RESOURCES			
Pensions	1,072,374	137,371	1,209,745
Leases	95,861	285,587	381,448
TOTAL DEFERRED INFLOWS OF RESOURCES	1,168,235	422,958	1,591,193
NET POSITION			
Net Investment in Capital Assets	6,291,335	3,984,261	10,275,596
Restricted	731,560	-	731,560
Unrestricted	1,656,661	2,536,953	4,193,614
TOTAL NET POSITION	\$ 8,679,556	\$ 6,521,214	\$ 15,200,770

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 637,284	\$ 73,644	\$ -	\$ -	\$ (563,640)	\$ -	\$ (563,640)
Public Safety	1,401,617	198,378	273,587	-	(929,652)	-	(929,652)
Public Works	813,059	3,000	-	152,474	(657,585)	-	(657,585)
Culture and Recreation	474,147	32,546	-	5,113	(436,488)	-	(436,488)
Economic Development	42,266	-	-	-	(42,266)	-	(42,266)
Airport	120,693	31,687	-	5,756	(83,250)	-	(83,250)
Debt Service	59,815	-	-	-	(59,815)	-	(59,815)
Total Governmental Activities	3,548,881	339,255	273,587	163,343	(2,772,696)	-	(2,772,696)
Business-Type Activities:							
Water	606,998	532,049	9,695	731	-	(64,523)	(64,523)
Sewer	419,208	315,946	884	-	-	(102,378)	(102,378)
Liquor	2,944,232	3,101,869	27	-	-	157,664	157,664
Total Business-Type Activities	3,970,438	3,949,864	10,606	731	-	(9,237)	(9,237)
TOTALS	\$ 7,519,319	\$ 4,289,119	\$ 284,193	\$ 164,074	(2,772,696)	(9,237)	(2,781,933)
General Revenues:							
Taxes					944,394	-	944,394
Tax Increment					44,934	-	44,934
Franchise and Other Tax					35,781	-	35,781
Intergovernmental					953,753	-	953,753
Investment Income (Loss)					196,759	52,447	249,206
Gain (Loss) on Sale of Assets					91,800	-	91,800
Miscellaneous					239,585	13,728	253,313
Total General Revenues					2,507,006	66,175	2,573,181
Transfers					189,000	(189,000)	-
Total General Revenues and Transfers					2,696,006	(122,825)	2,573,181
CHANGE IN NET POSITION					(76,690)	(132,062)	(208,752)
NET POSITION - BEGINNING OF YEAR					8,756,246	6,653,276	15,409,522
NET POSITION - END OF YEAR					\$ 8,679,556	\$ 6,521,214	\$ 15,200,770

See accompanying notes.

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

	General Fund	Debt Service Fund	Airport Road Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash, Cash Equivalents, and Investments	\$ 1,749,307	\$ 535,173	\$ -	\$ 589,525	\$ 2,874,005
Property Taxes Receivable	59,791	17,699	-	-	77,490
Assessments Receivable	3,883	-	-	-	3,883
Accounts Receivable	19,334	-	-	-	19,334
Interest Receivable	15,643	-	-	-	15,643
Lease Receivables	3,529	95,406	-	-	98,935
Due from Other Funds	214,574	-	-	-	214,574
Due from Other Governments	4,911	-	138,405	-	143,316
Prepays	51,531	-	-	-	51,531
TOTAL ASSETS	\$ 2,122,503	\$ 648,278	\$ 138,405	\$ 589,525	\$ 3,498,711
LIABILITIES					
Accounts Payable	\$ 60,080	\$ -	\$ -	\$ 20,792	\$ 80,872
Salaries Payable	35,137	-	-	-	35,137
Payroll Deductions and Employer Contributions	6,472	-	-	-	6,472
Construction Contracts Payable	-	-	-	6,476	6,476
Due to Other Funds	-	-	138,405	76,169	214,574
Total Liabilities	101,689	-	138,405	103,437	343,531
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Property Taxes	49,664	14,377	-	-	64,041
Special Assessments	3,883	-	-	-	3,883
Other Receivables	2,303	-	-	-	2,303
Leases	3,417	92,444	-	-	95,861
Total Deferred Inflows of Resources	59,267	106,821	-	-	166,088
FUND BALANCES					
Nonspendable	51,643	2,962	-	-	54,605
Restricted	-	538,495	-	202,516	741,011
Assigned	-	-	-	379,966	379,966
Unassigned	1,909,904	-	-	(96,394)	1,813,510
Total Fund Balances	1,961,547	541,457	-	486,088	2,989,092
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,122,503	\$ 648,278	\$ 138,405	\$ 589,525	\$ 3,498,711

**CITY OF MILACA, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balances - Governmental Funds \$ 2,989,092

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

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

Capital Assets	\$ 18,892,596	
Accumulated Depreciation	<u>(10,521,944)</u>	
Capital Assets (Net)		8,370,652

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

Debt Principal Payable	(1,924,000)	
Bond Premium, Net of Accumulated Amortization	(19,950)	
Financing Arrangements Payable	(135,367)	
Compensated Absences	<u>(52,265)</u>	
		(2,131,582)

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

Net Pension Asset	190,041	
Net Pension Liability	(884,119)	
Deferred Outflows - Pensions	1,171,447	
Deferred Inflows - Pensions	<u>(1,072,374)</u>	
		(595,005)

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

(23,828)

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

Property Taxes		64,041
Special Assessments		3,883
Other Receivables		<u>2,303</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 8,679,556

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

	General Fund	Debt Service Fund	Airport Road Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 723,216	\$ 211,925	\$ -	\$ 26,913	\$ 962,054
Tax Increment	-	-	-	44,934	44,934
Franchise Taxes	8,784	-	-	-	8,784
Special Assessments	3,261	-	-	-	3,261
Licenses, Permits, and Fees	67,341	-	-	-	67,341
Intergovernmental	1,240,376	-	138,405	-	1,378,781
Charges for Services	248,962	21,752	-	-	270,714
Fines	-	-	-	1,200	1,200
Investment Income (Loss)	180,968	2,836	-	9,413	193,217
Lease Interest	142	3,400	-	-	3,542
Miscellaneous	254,985	-	-	81,513	336,498
TOTAL REVENUES	<u>2,728,035</u>	<u>239,913</u>	<u>138,405</u>	<u>163,973</u>	<u>3,270,326</u>
EXPENDITURES					
Current:					
General Government	562,664	-	-	-	562,664
Public Safety	1,124,077	-	-	4,094	1,128,171
Public Works	348,728	-	-	-	348,728
Parks and Recreation	180,038	-	-	42,506	222,544
Library	26,979	-	-	-	26,979
Economic Development	-	-	-	42,166	42,166
Airport	86,434	-	-	-	86,434
Capital Outlay	585,895	-	138,405	165,905	890,205
Debt Service:					
Principal	-	264,000	-	5,555	269,555
Interest and Other Charges	-	59,496	-	1,501	60,997
TOTAL EXPENDITURES	<u>2,914,815</u>	<u>323,496</u>	<u>138,405</u>	<u>261,727</u>	<u>3,638,443</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(186,780)	(83,583)	-	(97,754)	(368,117)
OTHER FINANCING SOURCES (USES)					
Transfers In	238,000	-	-	11,500	249,500
Transfers Out	-	-	-	(60,500)	(60,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>238,000</u>	<u>-</u>	<u>-</u>	<u>(49,000)</u>	<u>189,000</u>
NET CHANGE IN FUND BALANCES	51,220	(83,583)	-	(146,754)	(179,117)
FUND BALANCES - BEGINNING	<u>1,910,327</u>	<u>625,040</u>	<u>-</u>	<u>632,842</u>	<u>3,168,209</u>
FUND BALANCES - ENDING	<u>\$ 1,961,547</u>	<u>\$ 541,457</u>	<u>\$ -</u>	<u>\$ 486,088</u>	<u>\$ 2,989,092</u>

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

Net Change in Fund Balances - Total Governmental Funds \$ (179,117)

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

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

Capital Outlay Capitalized	642,465	
Depreciation Expense	(706,064)	
Contributions of Capital Assets	20,366	(43,233)

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

Debt Principal Repayments	269,555	
Amortization of Bond Premium	1,933	271,488

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

Accrued Interest Payable		(751)
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Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period:

Property Taxes	9,337	
Special Assessments	(9,558)	
Other Receivables	2,303	2,082

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated Absences		(14,924)
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Certain liabilities do not represent the impending use of current resources.

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

Net Pension Liability and Deferred Outflows/Inflows of Resources		(112,235)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (76,690)

**CITY OF MILACA, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023**

	Water Fund	Sewer Fund	Liquor Fund	Totals
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 952,968	\$ 971,126	\$ 641,581	\$ 2,565,675
Assessments Receivable	2,009	-	-	2,009
Accounts Receivable	44,816	26,102	-	70,918
Inventory	-	-	554,374	554,374
Prepays	4,649	2,027	8,025	14,701
Lease Receivables	11,734	-	-	11,734
Total Current Assets	<u>1,016,176</u>	<u>999,255</u>	<u>1,203,980</u>	<u>3,219,411</u>
Noncurrent Assets				
Capital Assets Not Being Depreciated	442,109	-	54,788	496,897
Capital Assets Being Depreciated (Net)	2,636,083	1,001,017	736,264	4,373,364
Assessments Receivable	5,408	-	-	5,408
Lease Receivables	293,362	-	-	293,362
Total Noncurrent Assets	<u>3,376,962</u>	<u>1,001,017</u>	<u>791,052</u>	<u>5,169,031</u>
TOTAL ASSETS	4,393,138	2,000,272	1,995,032	8,388,442
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	31,253	31,845	63,412	126,510
LIABILITIES				
Current Liabilities				
Accounts Payable	122,539	1,277	54,497	178,313
Salaries Payable	6,070	6,075	11,561	23,706
Deposits Payable	17,846	-	-	17,846
Accrued Interest	7,035	-	-	7,035
Bonds Due Within One Year	236,000	-	-	236,000
Total Current Liabilities	<u>389,490</u>	<u>7,352</u>	<u>66,058</u>	<u>462,900</u>
Noncurrent Liabilities				
Compensated Absences Due After One Year	7,404	7,404	10,606	25,414
Bonds Due After One Year	650,000	-	-	650,000
Net Pension Liability	106,861	108,831	216,774	432,466
Total Noncurrent Liabilities	<u>764,265</u>	<u>116,235</u>	<u>227,380</u>	<u>1,107,880</u>
TOTAL LIABILITIES	1,153,755	123,587	293,438	1,570,780
DEFERRED INFLOWS OF RESOURCES				
Pensions	33,944	34,570	68,857	137,371
Leases	285,587	-	-	285,587
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>319,531</u>	<u>34,570</u>	<u>68,857</u>	<u>422,958</u>
NET POSITION				
Net Investment in Capital Assets	2,192,192	1,001,017	791,052	3,984,261
Unrestricted	758,913	872,943	905,097	2,536,953
TOTAL NET POSITION	<u>\$ 2,951,105</u>	<u>\$ 1,873,960</u>	<u>\$ 1,696,149</u>	<u>\$ 6,521,214</u>

See accompanying notes.

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

	Water Fund	Sewer Fund	Liquor Fund	Totals
SALES AND COST OF SALES				
Sales	\$ -	\$ -	\$ 3,101,869	\$ 3,101,869
Cost of Sales	<u>-</u>	<u>-</u>	<u>(2,293,045)</u>	<u>(2,293,045)</u>
GROSS PROFIT	-	-	808,824	808,824
OPERATING REVENUES				
Charges for Services	<u>512,687</u>	<u>311,946</u>	<u>-</u>	<u>824,633</u>
TOTAL GROSS PROFIT AND OPERATING REVENUES	512,687	311,946	808,824	1,633,457
OPERATING EXPENSES				
Wages and Benefits	245,806	249,591	427,597	922,994
Materials and Supplies	18,950	5,067	7,337	31,354
Repairs and Maintenance	44,916	41,354	22,163	108,433
Professional Services	53,805	26,713	12,120	92,638
Insurance	8,136	5,995	5,005	19,136
Utilities	46,688	12,218	33,373	92,279
Miscellaneous	2,660	1,882	75,823	80,365
Depreciation	<u>172,672</u>	<u>76,388</u>	<u>67,769</u>	<u>316,829</u>
TOTAL OPERATING EXPENSES	<u>593,633</u>	<u>419,208</u>	<u>651,187</u>	<u>1,664,028</u>
NET OPERATING INCOME (LOSS)	(80,946)	(107,262)	157,637	(30,571)
NONOPERATING INCOME (EXPENSE)				
Special Assessments	731	-	-	731
Intergovernmental	9,682	-	-	9,682
Connection Fees	-	4,000	-	4,000
Investment Income	16,644	16,200	9,552	42,396
Lease Interest	10,051	-	-	10,051
Miscellaneous	32,534	884	596	34,014
Interest and Other Charges	<u>(13,365)</u>	<u>-</u>	<u>-</u>	<u>(13,365)</u>
TOTAL NONOPERATING INCOME (EXPENSE)	<u>56,277</u>	<u>21,084</u>	<u>10,148</u>	<u>87,509</u>
CHANGE IN NET POSITION PRIOR TO TRANSFERS	(24,669)	(86,178)	167,785	56,938
TRANSFERS				
Operating Transfers In	-	11,000	-	11,000
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
NET TRANSFERS	<u>-</u>	<u>11,000</u>	<u>(200,000)</u>	<u>(189,000)</u>
CHANGE IN NET POSITION	(24,669)	(75,178)	(32,215)	(132,062)
NET POSITION - BEGINNING OF YEAR	<u>2,975,774</u>	<u>1,949,138</u>	<u>1,728,364</u>	<u>6,653,276</u>
NET POSITION - END OF YEAR	<u>\$ 2,951,105</u>	<u>\$ 1,873,960</u>	<u>\$ 1,696,149</u>	<u>\$ 6,521,214</u>

See accompanying notes.

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

	Water Fund	Sewer Fund	Liquor Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 512,861	\$ 310,905	\$ 3,101,869	\$ 3,925,635
Cash Paid to Suppliers	(170,628)	(91,782)	(2,521,432)	(2,783,842)
Cash Paid to Employees	(235,056)	(238,675)	(412,252)	(885,983)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>107,177</u>	<u>(19,552)</u>	<u>168,185</u>	<u>255,810</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes and Intergovernmental	14,626	973	-	15,599
Other Receipts from Customers	33,968	4,884	595	39,447
Net Operating Subsidies and Transfers from (to) Other Funds	-	11,000	(200,889)	(189,889)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>48,594</u>	<u>16,857</u>	<u>(200,294)</u>	<u>(134,843)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(383,878)	(114,880)	(36,140)	(534,898)
Payments on Bond Principal	(167,000)	-	-	(167,000)
Cash Paid for Interest	(16,974)	-	-	(16,974)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(567,852)</u>	<u>(114,880)</u>	<u>(36,140)</u>	<u>(718,872)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	<u>16,644</u>	<u>16,200</u>	<u>9,552</u>	<u>42,396</u>
Net Change in Cash and Cash Equivalents	(395,437)	(101,375)	(58,697)	(555,509)
Cash and Cash Equivalents - Beginning of Year	<u>1,348,405</u>	<u>1,072,501</u>	<u>700,278</u>	<u>3,121,184</u>
Cash and Cash Equivalents - End of Year	<u>\$ 952,968</u>	<u>\$ 971,126</u>	<u>\$ 641,581</u>	<u>\$ 2,565,675</u>

CITY OF MILACA, MINNESOTA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Water Fund	Sewer Fund	Liquor Fund	Totals
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net Operating Income (Loss)	\$ (80,946)	\$ (107,262)	\$ 157,637	\$ (30,571)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	172,672	76,388	67,769	316,829
Changes in Assets, Liabilities, and Deferrals:				
Accounts Receivable	144	(1,041)	-	(897)
Inventory	-	-	(55,075)	(55,075)
Prepays	(2,149)	2,003	(1,418)	(1,564)
Accounts Payable	6,676	(556)	(16,073)	(9,953)
Salaries Payable	373	423	(99)	697
Deposits Payable	30	-	-	30
Net Pension Liability	(35,282)	(35,961)	(74,084)	(145,327)
Deferred Outflows or Resources - Pensions	15,339	15,622	31,827	62,788
Deferred Inflows or Resources - Pensions	27,845	28,357	56,376	112,578
Compensated Absences	2,475	2,475	1,325	6,275
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 107,177	\$ (19,552)	\$ 168,185	\$ 255,810

**CITY OF MILACA, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 227,601
Accounts Receivable	619
Prepays	635
TOTAL ASSETS	228,855
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	28,365
LIABILITIES	
Accounts Payable	40,363
Accrued Salaries	5,372
Noncurrent Liabilities:	
Compensated Absences	2,894
Net Pension Liability	95,353
TOTAL LIABILITIES	143,982
DEFERRED INFLOWS OF RESOURCES	
Pensions	30,288
FIDUCIARY NET POSITION	
Fiduciary Net Position - Held for Others	\$ 82,950

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

	<u>Custodial Funds</u>
ADDITIONS	
Licenses and Permits	\$ 6,015,201
Intergovernmental	23,512
Interest Earnings	183
Miscellaneous	678
TOTAL ADDITIONS	6,039,574
 DEDUCTIONS	
Wages and Benefits	186,400
Materials and Supplies	2,652
Repairs and Maintenance	20,831
State Remittances	5,783,709
Equipment and Rent	6,328
Insurance	1,524
Utilities	2,320
Other Services and Charges	6,538
TOTAL DEDUCTIONS	6,010,302
 CHANGE IN FIDUCIARY NET POSITION	 29,272
 FIDUCIARY NET POSITION - BEGINNING OF YEAR	 53,678
 FIDUCIARY NET POSITION - END OF YEAR	 \$ 82,950

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City has a mayor-council form of government that is governed by an elected mayor and four-member council. The City provides the following services: sanitation, utilities, liquor, recreation, public improvements, public safety, airport, planning and zoning, and general administrative services.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity is comprised of the primary governmental unit of the City of Milaca.

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

Blended Component Units

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

Economic Development Authority of the City of Milaca

The Authority was established pursuant to the provisions of Minnesota Statutes Section 469.090 to 469.108 to promote and provide incentives for economic development, and to preserve and create jobs, enhance the City's tax base and promote the general welfare of the people. The EDA is governed by a board of commissioners consisting of five members, all of whom shall be members of the City Council.

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

Discretely Presented Component Units

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

Related Organizations

The Fire Relief Association is organized as a non-profit organization by its members to provide benefits to such members in accordance with Minnesota Statutes. Its Board of Directors is appointed by the membership of the organization. All funding is conducted in accordance with Minnesota Statutes, whereby State aids flow through the City to the Association.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements

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

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

The City reports the following major governmental funds:

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Debt Service Fund

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

Airport Road Project Fund

The Airport Road Project Fund accounts for the expenditures incurred for the completion of the Airport Road project, including the related grant reimbursements and any other financial resources to be applied to the project.

The City reports the following major proprietary funds:

Enterprise Funds

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

The City reports the following nonmajor fund types:

Capital Project Funds

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

Special Revenue Funds

The Special Revenue Funds account for funds received by the City with a specific purpose.

Debt Service Funds

The nonmajor Debt Service Funds account for the activity of the tax increment financing districts established by the City.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.B. BASIS OF PRESENTATION (Continued)

Additionally, the City reports a custodial fund. This fund is used to account for the financial activity of assets that are being held in a fiduciary capacity on behalf of the State of Minnesota, for the operation of a Motor Vehicle/Driver's License Department.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

- All governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.
- The government-wide financial statements and proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

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

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

1.D. BUDGETARY INFORMATION

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.D. BUDGETARY INFORMATION (Continued)

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

1.E. USE OF ESTIMATES

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

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

Cash and Cash Equivalents

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

Investments

Investments are stated at their fair value as determined in accordance with the fair value hierarchy. Short-term investments are reported at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Certificates of deposit are stated at cost, plus accrued interest, which approximates fair market value.

Net appreciation (depreciation) in fair value of investments includes net unrealized and realized gains and losses. Purchases and sales of securities are recorded on a trade-date basis.

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

Prepays

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

Inventory

The Liquor Fund carries inventory that consists of items held for resale. Inventory is recognized on the average cost method.

Interfund Receivables and Payables

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables

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

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

Leases Receivable

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

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

Capital Assets

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

Capital assets are defined by the City based on each individual asset’s initial cost and must have an estimated useful life in excess of two years. The City’s cost thresholds for capitalization of acquisitions within various categories are as follows:

Land and Improvements	\$12,500
Buildings and Improvements	\$25,000
Infrastructure	\$50,000
Vehicles, Machinery, and Equipment	\$5,000

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

Buildings and Improvements	7-40 years
Infrastructure	10-50 years
Vehicles, Machinery, and Equipment	3-20 years

Government-wide Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Financial Statements

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

Compensated Absences

It is the City's policy to permit employees to accumulate up to 176 hours of vacation leave and be paid out for this leave upon resignation. Additionally, employees may accumulate up to 1,000 hours of sick leave, which is subject to partial payout upon resignation, dependent upon the employee's years of service with the City. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as the result of an employee's resignation or retirement. In the event a liability is recorded in the governmental funds, General Fund resources would typically be used to liquidate the compensated absences.

Long-Term Debt

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

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

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

Net Pension Asset/Liability

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

PERA

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources

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

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

See Notes 3 and 4 for additional information pertaining to the deferred outflows and deferred inflows recorded to account for pension activities.

Equity Classifications

Government-wide Statements

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

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

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

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

It is the City’s policy to consider restricted net position to its depletion before unrestricted net position is applied.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Statements

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

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. The nonspendable fund balances at December 31, 2023 consist of prepaid expenditures and leases receivable.

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

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

Assigned – Amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council has formally delegated the authority to assign fund balances to the City Manager.

Unassigned – This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City has formally adopted a policy under which it strives to maintain a minimum unassigned General Fund balance of five months of budgeted operating expenditures.

See Note 2.F. for additional disclosures.

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

1.G. REVENUES, EXPENDITURES, AND EXPENSES

Property Tax

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

December 30th is the last day the City can certify a tax levy to the County for collection the following year. The County creates the tax list for all taxable property in the City and applies the applicable tax rate to the tax capacity of individual properties to arrive at the actual tax for each property. The County also collects all special assessments, except for certain prepayments paid directly to the City. The County collects all taxes and assessments, except as noted above. The County mails copies of all real estate and personal property tax statements. Each year, property owners are required to pay one half of their real estate taxes by May 15 and the balance by October 15. Penalties and interest are assessed to property owners who do not pay their property taxes and special assessments by the due dates.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Special Assessments

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

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

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

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.H. CHANGE IN ACCOUNTING METHOD

During the year ended December 31, 2023, the City elected to modify its method of accounting for the pension balances and related pension activity of the Milaca Fire Department. In prior years, pension activity and year-end balances have been reported based on the results of actuarial studies completed for year-end dates that coincided with the current year-end reporting date of the City. However, effective in the current year financial statements, the City has transitioned to utilizing actuarial reports with a measurement date of one year prior to the current reporting date. This is a commonly accepted practice, which was recommended to the City by the Public Employees Retirement Association of Minnesota.

NOTE 2 DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

2.A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

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

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- A general obligation of a state or local government, with taxing powers, rated “A” or better;
- A revenue obligation of a state or local government, with taxing powers, rated “AA” or better;
- Unrated general obligation securities of a local government, with taxing powers, pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letter of credit issued by a Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank’s public debt is rated “AA” or better by Moody’s or Standard and Poor’s; or
- Time deposits insured by any federal agency.

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

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

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

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

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

Investments

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

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

Investment balances at December 31, 2023 are as follows:

Investment Type	S & P's Credit Rating	Fair Value Level	Fair Value	Investment Maturities (in Years)		
				Less Than 1	1 - 5	6 - 10
Money Market Funds	N/A	N/A	\$ 1,700,345	\$ 1,700,345	\$ -	\$ -
Brokered Certificates of Deposit	NR	Level 2	3,551,953	238,632	2,967,033	346,288
Totals			\$ 5,252,298	\$ 1,938,977	\$ 2,967,033	\$ 346,288

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

- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota Statutes limit the City’s investments.
- Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.
- Concentration of Credit Risk is the risk associated with the magnitude of the City’s investments (considered five percent or more) in the investments of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. At December 31, 2023, the City is not exposed to a significant concentration of credit risk.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

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

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

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

The City has formally adopted an Investment Policy, to ensure compliance with Minnesota Statutes and to address each of the risks above to the extent deemed necessary by the City’s Council.

Deposits and Investments Summary

A reconciliation of cash and investments as shown on the Statements of Net Position for the City follows:

Carrying Amount of Deposits	\$	414,983
Investments		<u>5,252,298</u>
 Total	 \$	 <u><u>5,667,281</u></u>
 <i>Government-wide</i>		
Cash, Cash Equivalents, and Investments	\$	5,439,680
Fiduciary - Custodial Funds Cash and Cash Equivalents		<u>227,601</u>
 Total	 \$	 <u><u>5,667,281</u></u>

2.B. LEASE RECEIVABLES

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

Governmental Activities:

Description	Original Amount	Total Annual Lease Payment	Interest Rate(s)	Maturity Date	Remaining Amount
Deputy Registrar Office Space	\$ 7,973	\$2,400	3.25%	6/30/2025	\$ 3,529
Ambulance Building Space	135,948	\$24,000	3.25%	3/31/2028	<u>95,406</u>
Total Governmental Activities Lease Receivables					<u><u>\$ 98,935</u></u>

Business-Type Activities:

Description	Original Amount	Total Annual Lease Payment	Interest Rate(s)	Maturity Date	Remaining Amount
Telecom Site Property	\$ 324,311	\$18,841 - \$31,456	3.25%	9/30/2038	<u>\$ 305,096</u>

During the year ended December 31, 2023, the City recognized revenues from leasing activities under the arrangements above within governmental activities and business-type activities in the amount of \$27,572 and \$29,413, respectively.

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

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

2.C. CAPITAL ASSETS

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

	<u>Balance at</u> 1/1/2023	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance at</u> 12/31/2023
<i>Governmental Activities:</i>					
Capital Assets not Being Depreciated					
Land	\$ 186,526	\$ -	\$ -	\$ -	\$ 186,526
Construction In Progress	-	298,738	-	-	298,738
Total Capital Assets not Being Depreciated	186,526	298,738	-	-	485,264
Capital Assets Being Depreciated					
Buildings and Improvements	5,345,106	6,454	-	-	5,351,560
Infrastructure	9,060,763	80,187	-	-	9,140,950
Equipment, Machinery and Furnishings	3,671,447	277,452	(34,077)	-	3,914,822
Total Capital Assets Being Depreciated	18,077,316	364,093	(34,077)	-	18,407,332
Less: Accumulated Depreciation					
Buildings and Improvements	(2,511,311)	(134,338)	-	-	(2,645,649)
Infrastructure	(5,006,877)	(363,224)	-	-	(5,370,101)
Equipment, Machinery and Furnishings	(2,331,769)	(208,502)	34,077	-	(2,506,194)
Total Accumulated Depreciation	(9,849,957)	(706,064)	34,077	-	(10,521,944)
Total Capital Assets Being Depreciated, Net	8,227,359	(341,971)	-	-	7,885,388
Capital Assets, Net	<u>\$ 8,413,885</u>	<u>\$ (43,233)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,370,652</u>

Depreciation is charged to governmental activities as follows:

General Government	\$ 58,540
Public Safety	140,603
Public Works	292,927
Parks and Recreation	213,994
	<u>706,064</u>
Total Depreciation Expense	<u>\$ 706,064</u>

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

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

2.C. CAPITAL ASSETS (Continued)

	Balance at 1/1/2023	Additions	Disposals	Transfers	Balance at 12/31/2023
<i>Business-Type Activities:</i>					
Capital Assets not Being Depreciated					
Land	\$ 54,788	\$ -	\$ -	\$ -	\$ 54,788
Construction In Progress	219,708	462,246	-	(239,845)	442,109
Total Capital Assets not Being Depreciated	274,496	462,246	-	(239,845)	496,897
Capital Assets Being Depreciated					
Buildings and Improvements	4,776,638	-	-	239,845	5,016,483
Infrastructure	5,440,132	-	-	-	5,440,132
Equipment, Machinery and Furnishings	886,852	182,619	-	-	1,069,471
Total Capital Assets Being Depreciated	11,103,622	182,619	-	239,845	11,526,086
Less: Accumulated Depreciation					
Buildings and Improvements	(2,543,739)	(115,445)	-	-	(2,659,184)
Infrastructure	(3,579,297)	(148,949)	-	-	(3,728,246)
Equipment, Machinery and Furnishings	(712,858)	(52,434)	-	-	(765,292)
Total Accumulated Depreciation	(6,835,894)	(316,828)	-	-	(7,152,722)
Total Capital Assets Being Depreciated, Net	4,267,728	(134,209)	-	239,845	4,373,364
Capital Assets, Net	\$ 4,542,224	\$ 328,037	\$ -	\$ -	\$ 4,870,261

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

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

2.D. NONCURRENT LIABILITIES

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

Debt Detail

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

Governmental Activities

General Obligation Bonds					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
08/12	\$ 845,000	\$20,000 - \$95,000	1.00 - 2.15%	02/24	\$ 30,000
03/15	475,000	\$25,000 - \$40,000	2.00 - 3.40%	12/30	255,000
07/19	545,000	\$45,000 - \$55,000	2.10 - 3.00%	02/31	410,000
08/21	715,000	\$40,000 - \$55,000	0.85 - 2.00%	02/37	675,000
06/22	570,000	\$30,000 - \$50,000	3.35 - 4.00%	02/37	535,000
Total Governmental Activities Bonds Payable					\$ 1,905,000

General Obligation Note					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
03/14	\$ 190,000	\$19,000	1.00%	03/24	\$ 19,000

Financing Arrangement					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
01/20	\$ 223,016	\$15,000 - \$54,001	3.85%	01/27	\$ 135,367

At December 31, 2023, the asset acquired via the financing arrangement above has an original cost of \$266,756 and accumulated depreciation of \$52,240, for a net carry value of \$214,516. This asset serves as collateral under the financing arrangement.

Business-Type Activities

General Obligation Revenue Bonds					
Issue Date	Original Amount	Annual Principal Payment	Interest Rate(s)	Maturity Date	Remaining Amount
07/06	\$ 3,060,114	\$70,000 - \$173,000	1.07%	08/26	\$ 513,000
10/22	373,000	\$67,000 - \$80,000	3.25%	02/28	373,000
Total Business-Type Activities Bonds Payable					\$ 886,000

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

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

2.D. NONCURRENT LIABILITIES (Continued)

Changes in Noncurrent Liabilities

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

Type of Debt	Balance 01/01/23	Additions	Deductions	Balance 12/31/23	Amounts Due Within One Year
<i>Governmental Activities:</i>					
G.O. Bonds	\$ 2,150,000	\$ -	\$ (245,000)	\$ 1,905,000	\$ 180,000
Unamortized Bond Premium	21,883	-	(1,933)	19,950	-
G.O. Note	38,000	-	(19,000)	19,000	19,000
Promissory Note	5,555	-	(5,555)	-	-
Financing Arrangement	135,367	-	-	135,367	26,104
Compensated Absences	37,341	14,924	-	52,265	-
Total	\$ 2,388,146	\$ 14,924	\$ (271,488)	\$ 2,131,582	\$ 225,104
<i>Business-Type Activities:</i>					
G.O. Revenues Bonds	\$ 1,053,000	\$ -	\$ (167,000)	\$ 886,000	\$ 236,000
Compensated Absences	19,139	6,275	-	25,414	-
Total	\$ 1,072,139	\$ 6,275	\$ (167,000)	\$ 911,414	\$ 236,000

Governmental activity debt is typically funded through Debt Service Funds, with the exception of the promissory note being financed through the Revolving Loan Fund. Business-Type activity debt is typically funded through the Water Fund. Compensated absences is funded through the funds to which the respective employees' wages are allocated.

Annual Debt Service Requirements

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

Years Ending December 31,	Governmental Activities					
	General Obligation Bonds			General Obligation Note		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 180,000	\$ 49,346	\$ 229,346	\$ 19,000	\$ 190	\$ 19,190
2025	160,000	45,859	205,859	-	-	-
2026	160,000	42,511	202,511	-	-	-
2027	165,000	38,575	203,575	-	-	-
2028	170,000	34,330	204,330	-	-	-
2029-2033	675,000	101,291	776,291	-	-	-
2034-2037	395,000	23,700	418,700	-	-	-
Totals	\$ 1,905,000	\$ 335,612	\$ 2,240,612	\$ 19,000	\$ 190	\$ 19,190

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

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

2.D. NONCURRENT LIABILITIES (Continued)

Years Ending December 31,	Governmental Activities		
	Financing Arrangement		
	Principal	Interest	Total
2024	\$ 26,104	\$ 5,212	\$ 31,316
2025	27,109	4,207	31,316
2026	28,153	3,163	31,316
2027	<u>54,001</u>	<u>2,079</u>	<u>56,080</u>
Totals	<u>\$ 135,367</u>	<u>\$ 14,661</u>	<u>\$ 150,028</u>

Years Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
	2024	\$ 236,000	\$ 16,523
2025	244,000	12,440	256,440
2026	248,000	8,205	256,205
2027	78,000	3,867	81,867
2028	<u>80,000</u>	<u>1,300</u>	<u>81,300</u>
Totals	<u>\$ 886,000</u>	<u>\$ 42,335</u>	<u>\$ 928,335</u>

Interest expense totals \$71,634 in the Statement of Activities (included in the Debt Service and Water lines). Interest expenditures total \$57,518 for the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (included in the line Interest and Other Charges) and \$13,365 in the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds (included in the line Interest and Other Charges).

2.E. INTERFUND TRANSACTIONS AND BALANCES

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

Major Funds	Transfers Out	Transfers In			
		Major Funds		Nonmajor Funds	
		General	Sewer	Governmental	Total
Liquor	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 200,000
<u>Nonmajor Funds</u>					
Governmental	<u>60,500</u>	<u>38,000</u>	<u>11,000</u>	<u>11,500</u>	<u>60,500</u>
Total	<u>\$ 260,500</u>	<u>\$ 238,000</u>	<u>\$ 11,000</u>	<u>\$ 11,500</u>	<u>\$ 260,500</u>

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

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

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

2.E. INTERFUND TRANSACTIONS AND BALANCES (Continued)

Interfund balances consist of the following at December 31, 2023.

Short-Term Balances			
Due To Fund	Due From Fund	Amount	Purpose
General	Airport Road Project	\$ 138,405	Eliminate deficit cash balance at year-end.
General	TIF District No. 1-10	76,169	Eliminate deficit cash balance at year-end.
Total Interfund Balances		214,574	
Governmental Fund Elimination		(214,574)	
Total Government-Wide Internal Balances		<u>\$ -</u>	

Interfund balances will be repaid as cashflows become available from future grant revenues or tax increment dollars.

2.F. FUND EQUITY

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

	Nonspendable	Restricted	Assigned	Unassigned
General Fund				
Nonspendable - Prepays	\$ 51,531	\$ -	\$ -	\$ -
Nonspendable - Lease Receivables (Net)	112	-	-	-
Unassigned	-	-	-	1,909,904
Total General Fund Balance	<u>\$ 51,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,909,904</u>
Debt Service Funds				
Nonspendable - Lease Receivables (Net)	\$ 2,962	\$ -	\$ -	\$ -
Restricted for Debt Service	-	538,495	-	-
Total Debt Service Funds Balance	<u>\$ 2,962</u>	<u>\$ 538,495</u>	<u>\$ -</u>	<u>\$ -</u>
Nonmajor Governmental Funds				
Restricted for Capital Projects	\$ -	\$ 101,739	\$ -	\$ -
Restricted for Economic Development Loans	-	60,919	-	-
Restricted for Police Forfeiture Enforcement	-	10,284	-	-
Restricted for Allowable Charitable Gambling Uses	-	29,574	-	-
Assigned for Park Improvements	-	-	322,054	-
Assigned for Milaca Economic Development Authority	-	-	45,699	-
Assigned for Youth Safety	-	-	2,084	-
Assigned for City Events	-	-	10,129	-
Unassigned	-	-	-	(96,394)
Total Nonmajor Governmental Funds Balance	<u>\$ -</u>	<u>\$ 202,516</u>	<u>\$ 379,966</u>	<u>\$ (96,394)</u>

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

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

2.F. FUND EQUITY (Continued)

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

Fund	Fund Deficit
Nonmajor Governmental Funds	
TIF District No. 1-10 Fund	\$ 96,394

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE

Plan Description

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

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Benefits Provided

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

General Employees Plan Benefits

General Employees Plan benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA’s Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.20 percent for each of the first 10 years of service and 1.70 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.70 percent for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.50 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

Police and Fire Plan Benefits

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

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

Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023 were \$80,016. The City's contributions were equal to the required contributions as set by State Statute.

Police and Fire Fund Contributions

Police and Fire members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023 were \$94,965. The City's contributions were equal to the required contributions as set by State Statute.

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$766,089 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 \$21,152. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.0137 percent at the end of the measurement period and 0.0132 percent for the beginning of the period.

City’s proportionate share of the net pension liability:	\$766,089
State of Minnesota’s proportionate share of the net pension liability associated with the City	<u>21,152</u>
Total	<u>\$787,241</u>

For the year ended December 31, 2023, the City recognized pension expense of \$30,077 for its proportionate share of the General Employees Plan’s pension expense. In addition, the City recognized \$95 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the annual \$16 million contribution.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 24,938	\$ 4,777
Changes in actuarial assumptions	112,540	209,978
Difference between projected and actual investment earnings	-	13,600
Changes in proportionate share	46,782	14,989
Contributions paid to PERA subsequent to the measurement date	<u>40,516</u>	<u>-</u>
Total Deferred Outflows/Inflows	<u>\$ 224,776</u>	<u>\$ 243,344</u>

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

The \$40,516 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense
2024	\$ 20,374
2025	\$ (87,045)
2026	\$ 24,205
2027	\$ (16,618)

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$645,849 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.0374 percent at the end of the measurement period and 0.0365 percent for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota’s proportionate share of the net pension liability associated with the City totaled \$26,011.

City’s proportionate share of the net pension liability:	\$ 645,849
State of Minnesota’s proportionate share of the net pension liability associated with the City	26,011
Total	\$ 671,860

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of negative \$10,403 for its proportionate share of the Police and Fire Plan’s pension expense. The City recognized negative \$1,567 as grant revenue for its proportionate share of the State of Minnesota’s pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$3,363 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 173,876	\$ -
Changes in actuarial assumptions	706,235	907,971
Difference between projected and actual investment earnings	-	2,401
Changes in proportionate share	57,184	25,906
Contributions paid to PERA subsequent to the measurement date	49,797	-
 Total Deferred Outflows/Inflows	 \$ 987,092	 \$ 936,278

The \$49,797 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense
2024	\$ 36,250
2025	\$ 10,358
2026	\$ 143,239
2027	\$ (35,118)
2028	\$ (153,712)

Total Pension Expense

The total pension expense for all plans recognized by the City for the year ended December 31, 2023, including amortization of deferral balances, was \$142,069.

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	100%	

Actuarial Methods and Assumptions

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

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

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

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

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

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

General Employees Fund

Changes in Actuarial Assumptions:

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

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions:

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

Discount Rate

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

Pension Liability Sensitivity

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

Sensitivity of Net Pension Liability at Current Single Discount Rate					
	General Employees Fund		Police and Fire Fund		
1% Increase in Discount Rate	8.00%	\$ 281,463	8.00%	\$ 123,307	
Current Discount Rate	7.00%	\$ 766,089	7.00%	\$ 645,849	
1% Decrease in Discount Rate	6.00%	\$ 1,355,272	6.00%	\$ 1,281,442	

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

NOTE 3 DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

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.

NOTE 4 STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT PLAN

Plan Description

The Milaca Fire Department participates in the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2022 (the measurement date), the plan covered 22 active firefighters and 11 vested terminated fire fighters whose pension benefits are deferred. The plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353 G.

Benefits Provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent.

Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota Statutes*, and voluntary City contributions. The State of Minnesota contributed \$65,576 in fire state aid to the plan for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. The City of Milaca’s statutorily-required contributions to the Volunteer Firefighter Plan for the year ended December 31, 2023 were \$0.

Pension Costs

At December 31, 2023, the City of Milaca reported a net pension asset of \$190,041 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2022. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department.

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

NOTE 4 STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT PLAN (Continued)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance Beginning of Period - 12/31/21	\$ 539,080	\$ 1,029,847	\$ (490,767)
Service Cost	43,069	-	43,069
Interest on Pension Liability	34,929	-	34,929
Actuarial Experience (Gains)/Losses	(37,261)	-	(37,261)
Projected Investment Earnings	-	(153,393)	153,393
Contributions (State)	-	57,530	(57,530)
Changes in Benefit Level	163,162	-	163,162
Administrative Fees	-	(964)	964
Net Changes	<u>203,899</u>	<u>(96,827)</u>	<u>300,726</u>
Balance End of Period - 12/31/22	<u>\$ 742,979</u>	<u>\$ 933,020</u>	<u>\$ (190,041)</u>

For the year ended December 31, 2023, the City recognized pension expense of negative \$8,047.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ -	\$ 60,411
Difference between projected and actual investment earnings	<u>114,454</u>	<u>-</u>
Total Deferred Outflows/Inflows	<u>\$ 114,454</u>	<u>\$ 60,411</u>

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

Year ended December 31:	Pension Expense	
2024	\$	(14,648)
2025	\$	6,469
2026	\$	26,637
2027	\$	35,585

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

NOTE 4 STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT PLAN (Continued)

Actuarial Assumptions

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

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 6.0 percent
- Inflation rate of 3.0 percent

There were no changes in actuarial assumptions in 2022.

Discount Rate

The discount rate used to measure the total pension liability was six percent. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

	<u>1% Decrease in Discount Rate (5.00%)</u>	<u>Discount Rate (6.00%)</u>	<u>1% Increase in Discount Rate (7.00%)</u>
Net Pension Asset	\$ 160,555	\$ 190,041	\$ 217,995

Plan Investments

Investment Policy

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the governor (who is designated as chair of the board), state auditor, secretary of state and state attorney general.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in Minnesota Statutes, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investments policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

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

NOTE 4 STATEWIDE VOLUNTEER FIREFIGHTER RETIREMENT PLAN (Continued)

Asset Allocation

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Volunteer Firefighter Plan that includes allocations to domestic equity, international equity, bonds and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	35%	5.10%
International Stocks	15%	5.30%
Bonds	45%	0.75%
Unallocated Cash	5%	0.00%

The six percent long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

Description of significant investment policy changes during the year

The SBI made no significant changes to their investment policy during Fiscal Year 2023 for Volunteer Firefighter Fund.

Pension Plan Fiduciary Net Position

Detailed information about the Volunteer Firefighter Fund’s fiduciary net position as of December 31, 2022 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.

NOTE 5 OTHER NOTES

5.A. RISK MANAGEMENT

Claims and Judgements

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage these risks, the City purchases commercial insurance. The City retains risk for the deductible portions of the insurance. The amounts of these deductibles are considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year settlements in excess of insurance for any of the past two 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. The City’s management is not aware of any incurred but unreported claims.

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

NOTE 5 OTHER NOTES (Continued)

5.B. TAX INCREMENT FINANCING DISTRICTS

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

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

	District #4-10
Business Name	RDT Properties, LLC
Purpose	Redevelopment
Authorizing MN Statute:	469.174
Year Established:	2010
Duration of District:	Through 2036
Original Base Net Tax Capacity:	\$ 20,088
Current Net Tax Capacity:	\$ 63,954
Captured Net Tax Capacity:	
Retained by City	\$ 43,866
Amount Abated	\$ 40,440
Shared with Other Taxing Districts	\$ -
Total Bonds Issued:	None

5.C. COMMITMENTS

Construction Contracts

The City has entered into a contract to purchase a pumper firetruck. The remaining commitment under this contract at December 31, 2023 totals \$864,890.

5.D. DEFINED CONTRIBUTION PLAN

The City provides eligible employees future retirement benefits through a voluntary retirement savings plan (the Plan) authorized under Section 457 of the internal revenue code. The City has contracted with a private brokerage firm to establish the Plan, and plan assets are not held in a formal trust meeting the criteria defined by GASB No. 73, par 4. The City Council acts as the plan administrator, but the City is not involved with the investment decisions for plan assets. Eligible employees of the City may begin participating in the Plan commencing on the date of their employment by electing to have a percentage of their pay contributed to the Plan. The City does not make employer contributions.

The City is holding assets in a 457 retirement plan trust, on behalf of a retired employee. This 457 retirement plan trust is a different plan than described above, and is no longer offered to City employees. At December 31, 2023, the trust had a balance of approximately \$9,713. The City does not have any form of administrative authority over the trust, nor does it have the ability to access the funds within.

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

NOTE 5 OTHER NOTES (Continued)

5.E. CONDUIT DEBT OBLIGATIONS

The City has issued Minnesota Revenue Bonds, Series 2003, 2013, 2016, 2019, and 2020, to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property of the private-sector entities and are payable solely from the revenues of the private-sector entities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entities secured by the bond issuances. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2023, such notes are outstanding with an aggregate principal amount payable of approximately \$15,282,264.

5.F. SUBSEQUENT EVENTS

Subsequent to year-end and prior to the issuance of these financial statements, the City approved a bid for a contract for airport parking lot and entrance road construction services totaling \$170,029. The City Council also approved the issuance of General Obligation Street Reconstruction Bonds in the amount of \$600,000.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MILACA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts Original and Final	Actual Amounts Budgetary Basis	Variance with Budget Over (Under)
REVENUES			
Taxes			
Property Taxes	\$ 745,097	\$ 723,132	\$ (21,965)
Franchise Taxes	12,000	8,784	(3,216)
Hotel/Motel Taxes	500	84	(416)
Total Taxes	<u>757,597</u>	<u>732,000</u>	<u>(25,597)</u>
Special Assessments	7,250	3,261	(3,989)
Licenses and Permits	63,235	67,341	4,106
Intergovernmental Revenue			
State Revenue			
Local Government Aid	954,814	954,814	-
Market Value Credit	600	476	(124)
PERA Aid	2,500	-	(2,500)
Police and Fire Aid	60,000	142,709	82,709
Other State Grants and Aids	312,900	141,222	(171,678)
County Revenue			
Other County Grants and Aids	-	1,155	1,155
Total Intergovernmental Revenue	<u>1,330,814</u>	<u>1,240,376</u>	<u>(90,438)</u>
Charges for Services			
General Government	7,000	6,303	(697)
Police and Fire Contracts	150,300	175,426	25,126
Streets and Highways	4,200	3,000	(1,200)
Parks and Recreation	17,500	32,546	15,046
Airports	29,199	31,687	2,488
Total Charges for Services	<u>208,199</u>	<u>248,962</u>	<u>40,763</u>
Miscellaneous Revenue			
Investment Earnings	48,600	181,110	132,510
Sale of Assets	-	15,400	15,400
Refunds and Reimbursements	10,000	25,006	15,006
Contributions and Donations	160,000	189,700	29,700
Other Miscellaneous	10,000	24,879	14,879
Total Miscellaneous Revenue	<u>228,600</u>	<u>436,095</u>	<u>207,495</u>
TOTAL REVENUES	2,595,695	2,728,035	132,340

CITY OF MILACA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget Amounts Original and Final	Actual Amounts Budgetary Basis	Variance with Budget Over (Under)
EXPENDITURES			
General Government			
Mayor and Council	21,450	15,063	(6,387)
Administration and Finance	169,883	151,855	(18,028)
Other General Government	374,840	395,746	20,906
Capital Outlay	21,800	27,516	5,716
Total General Government	587,973	590,180	2,207
Public Safety			
Police			
Current	858,332	870,667	12,335
Capital Outlay	63,000	52,097	(10,903)
Fire			
Current	190,910	206,043	15,133
Capital Outlay	118,750	81,288	(37,462)
Other Public Safety			
Current	33,000	47,367	14,367
Total Public Safety	1,263,992	1,257,462	(6,530)
Public Works			
Street Maintenance and Storm Sewers	296,699	306,120	9,421
Snow and Ice Removal	7,000	2,698	(4,302)
Street Lighting	47,000	39,910	(7,090)
Capital Outlay - Street Construction	175,000	197,303	22,303
Capital Outlay - Other	35,000	84,588	49,588
Total Public Works	560,699	630,619	69,920
Culture and Recreation			
Libraries			
Current	27,200	26,979	(221)
Parks and Recreation			
Current	203,783	180,038	(23,745)
Capital Outlay	70,000	143,103	73,103
Total Culture and Recreation	300,983	350,120	49,137
Miscellaneous Expenditures			
Airports			
Current	89,448	86,434	(3,014)
TOTAL EXPENDITURES	2,803,095	2,914,815	111,720

CITY OF MILACA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget Amounts Original and Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Budget Over (Under)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(207,400)	(186,780)	20,620
OTHER FINANCING SOURCES (USES)			
Transfers			
From Other Funds	<u>208,000</u>	<u>238,000</u>	<u>30,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 600</u>	51,220	<u>\$ 50,620</u>
FUND BALANCES - BEGINNING		<u>1,910,327</u>	
FUND BALANCE - ENDING		<u>\$ 1,961,547</u>	

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

Note 1 - Expenditures in Excess of Budget

Actual expenditures in the General Fund of \$2,914,815 exceeded the final budgeted expenditures by \$111,720 for the current year. This is primarily due to unbudgeted capital outlay expenditures.

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

For the Measurement Year Ended June 30	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	City's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<i>General Employees Retirement Pension Plan</i>							
2023	0.0137%	\$ 766,089	\$ 21,152	\$ 787,241	\$ 1,047,347	75.2%	83.1%
2022	0.0132%	\$ 1,045,444	\$ 30,453	\$ 1,075,897	\$ 983,987	109.3%	76.7%
2021	0.0124%	\$ 529,536	\$ 16,198	\$ 545,734	\$ 893,000	61.1%	79.1%
2020	0.0134%	\$ 803,391	\$ 24,750	\$ 828,141	\$ 955,427	86.7%	79.1%
2019	0.0132%	\$ 729,798	\$ 22,666	\$ 752,464	\$ 938,171	80.2%	80.2%
2018	0.0120%	\$ 655,771	\$ -	\$ 655,771	\$ 842,071	77.9%	79.5%
2017	0.0117%	\$ 746,920	\$ -	\$ 746,920	\$ 773,727	96.5%	75.9%
2016	0.0123%	\$ 998,699	\$ -	\$ 998,699	\$ 748,344	133.5%	68.9%
2015	0.0123%	\$ 637,450	\$ -	\$ 637,450	\$ 724,130	88.0%	78.2%
<i>Public Employees Police and Fire Pension Plan</i>							
2023	0.0374%	\$ 645,849	\$ 26,011	\$ 671,860	\$ 509,169	132.0%	86.5%
2022	0.0365%	\$ 1,588,336	\$ 69,397	\$ 1,657,733	\$ 443,734	373.6%	70.5%
2021	0.0328%	\$ 253,181	\$ 11,391	\$ 264,572	\$ 387,836	68.2%	87.2%
2020	0.0363%	\$ 478,473	\$ 11,286	\$ 489,759	\$ 409,633	119.6%	87.2%
2019	0.0371%	\$ 394,967	\$ -	\$ 394,967	\$ 391,312	100.9%	89.3%
2018	0.0340%	\$ 362,405	\$ -	\$ 362,405	\$ 367,843	98.5%	78.5%
2017	0.0320%	\$ 432,038	\$ -	\$ 432,038	\$ 342,568	126.1%	75.9%
2016	0.0350%	\$ 1,404,611	\$ -	\$ 1,404,611	\$ 334,240	420.2%	63.8%
2015	0.0350%	\$ 397,682	\$ -	\$ 397,682	\$ 311,900	127.5%	78.7%

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

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

For the Fiscal Year Ended December 31	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>General Employees Retirement Pension Plan</i>					
2023	\$ 80,016	\$ 80,016	\$ -	\$ 1,066,880	7.50%
2022	\$ 77,693	\$ 77,693	\$ -	\$ 1,035,907	7.50%
2021	\$ 67,181	\$ 67,181	\$ -	\$ 895,747	7.50%
2020	\$ 69,896	\$ 69,896	\$ -	\$ 931,947	7.50%
2019	\$ 75,279	\$ 75,279	\$ -	\$ 1,003,718	7.50%
2018	\$ 63,155	\$ 63,155	\$ -	\$ 842,718	7.49%
2017	\$ 58,030	\$ 58,030	\$ -	\$ 773,727	7.50%
2016	\$ 56,126	\$ 56,126	\$ -	\$ 748,334	7.50%
2015	\$ 53,290	\$ 53,290	\$ -	\$ 724,130	7.36%
<i>Public Employees Police and Fire Pension Plan</i>					
2023	\$ 94,965	\$ 94,965	\$ -	\$ 536,525	17.70%
2022	\$ 85,384	\$ 85,384	\$ -	\$ 482,395	17.70%
2021	\$ 69,066	\$ 69,066	\$ -	\$ 390,203	17.70%
2020	\$ 75,386	\$ 75,386	\$ -	\$ 425,910	17.70%
2019	\$ 67,143	\$ 67,143	\$ -	\$ 396,124	16.95%
2018	\$ 59,591	\$ 59,591	\$ -	\$ 367,843	16.20%
2017	\$ 55,496	\$ 55,496	\$ -	\$ 342,568	16.20%
2016	\$ 54,147	\$ 54,147	\$ -	\$ 334,240	16.20%
2015	\$ 50,474	\$ 50,474	\$ -	\$ 311,900	16.18%
<i>Volunteer Fire Relief Association</i>					
2023	\$ -	\$ -	\$ -	N/A	N/A
2022	\$ -	\$ -	\$ -	N/A	N/A
2021	\$ -	\$ -	\$ -	N/A	N/A
2020	\$ -	\$ -	\$ -	N/A	N/A
2019	\$ -	\$ -	\$ -	N/A	N/A

Note: The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. The Volunteer Fire Relief Association schedule is provided prospectively with the City's fiscal year ended December 31, 2019. Additional years will be reported as they become available.

CITY OF MILACA, MINNESOTA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
STATEWIDE VOLUNTEER FIREFIGHTER FUND
LAST TEN YEARS (Presented Prospectively)

	2022	2021	2020	2019
Changes in Total Pension Liability (TPL)				
Balance at January 1st	\$ 539,080	\$ 490,050	\$ 477,815	\$ 454,108
Service Cost	43,069	33,510	36,404	25,906
Interest on the TPL	34,929	31,262	28,222	28,582
Assumption Changes	(37,261)	(10,682)	(48,721)	(23,521)
Changes in Benefit Level	163,162	-	84,030	-
Benefit Payments	-	(5,060)	(87,700)	(7,260)
Balance at December 31st	\$ 742,979	\$ 539,080	\$ 490,050	\$ 477,815
Plan Fiduciary Net Position (PFNP)				
Balance at January 1st	\$ 1,029,847	\$ 880,539	\$ 816,759	\$ 655,600
Fire State Aid	57,530	54,793	51,210	47,841
Projected Investment Income	(153,393)	86,886	101,126	121,399
Gain or Loss	-	13,700	-	-
Total Additions	(95,863)	155,379	152,336	169,240
Benefit Payments	-	(5,060)	(87,700)	(7,260)
Administrative Expenses	(964)	(1,011)	(856)	(821)
Total Reductions	(964)	(6,071)	(88,556)	(8,081)
Balance at December 31st	\$ 933,020	\$ 1,029,847	\$ 880,539	\$ 816,759
Net Pension Liability (Asset) - December 31st	\$ (190,041)	\$ (490,767)	\$ (390,489)	\$ (338,944)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	126%	191%	180%	171%

Note: The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2019 (which coincided with the City's fiscal year-end at that time) and is intended to show a ten year trend. Additional years will be reported as they become available.

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

NOTE 1 PUBLIC EMPLOYEES RETIREMENT PLAN – GENERAL EMPLOYEES FUND

2023 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2022 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2020 Changes

Changes in Actuarial Assumptions

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

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

NOTE 1 PUBLIC EMPLOYEES RETIREMENT PLAN – GENERAL EMPLOYEES FUND (Continued)

- The assumed number of married male new retirees electing the 100 percent Joint & Survivor option changed from 35 percent to 45 percent. The assumed number of married female new retirees electing the 100 percent Joint & Survivor option changed from 15 percent to 30 percent. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

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

NOTE 1 PUBLIC EMPLOYEES RETIREMENT PLAN – GENERAL EMPLOYEES FUND (Continued)

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate was changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

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

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

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND (Continued)

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 percent to 5.40 percent.

Changes in Plan Provisions

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

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

2018 Changes

Changes in Actuarial Assumptions

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

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

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND (Continued)

Changes in Plan Provisions

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

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- 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 postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

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

NOTE 2 PUBLIC EMPLOYEES RETIREMENT PLAN – POLICE AND FIRE FUND (Continued)

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

NOTE 3 DEFINED BENEFIT PLAN – FIRE RELIEF ASSOCIATION

2023 Reporting Period Changes

During the City’s reporting period ending December 31, 2023, the City began reporting pension balances and activity using actuarial reports for the measurement period ending one year prior to the City’s current reporting period. Prior to this change, the City’s reporting period had coincided with the measurement period date.

2022 Changes

Changes in Actuarial Assumptions

- There were no significant changes made to actuarial assumptions during 2022.

2021 Changes

Changes in Actuarial Assumptions

- There were no significant changes made to actuarial assumptions during 2021.

2020 Changes

Changes in Actuarial Assumptions

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

2019 Changes

Changes in Actuarial Assumptions

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

SUPPLEMENTARY INFORMATION

**CITY OF MILACA, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Capital Project Funds				Special Revenue Funds		
	All Parks Improvement Fund	Rec Park Improvement Fund	Veterans Memorial	Capital Projects Fund	EDA Fund	Youth Safety	Charitable Gambling
ASSETS							
Cash, Cash Equivalents, and Investments	\$ 187,127	\$ 133,448	\$ 1,479	\$ 101,739	\$ 52,308	\$ 2,084	\$ 30,008
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 133	\$ -	\$ 434
Construction Contracts Payable	-	-	-	-	6,476	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	6,609	-	434
FUND BALANCES							
Restricted	-	-	-	101,739	-	-	29,574
Assigned	187,127	133,448	1,479	-	45,699	2,084	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	187,127	133,448	1,479	101,739	45,699	2,084	29,574
TOTAL LIABILITIES AND FUND BALANCES	\$ 187,127	\$ 133,448	\$ 1,479	\$ 101,739	\$ 52,308	\$ 2,084	\$ 30,008

CITY OF MILACA, MINNESOTA
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue Funds				Debt Service	Total Nonmajor Funds
	Revolving Loan	Police Forfeitures	REC Fest	City Event	TIF District No. 1-10	
ASSETS						
Cash, Cash Equivalents, and Investments	\$ 60,919	\$ 10,284	\$ -	\$ 10,129	\$ -	\$ 589,525
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 20,225	\$ 20,792
Construction Contracts Payable	-	-	-	-	-	6,476
Due to Other Funds	-	-	-	-	76,169	76,169
Total Liabilities	-	-	-	-	96,394	103,437
FUND BALANCES						
Restricted	60,919	10,284	-	-	-	202,516
Assigned	-	-	-	10,129	-	379,966
Unassigned	-	-	-	-	(96,394)	(96,394)
Total Fund Balances	60,919	10,284	-	10,129	(96,394)	486,088
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 60,919</u>	<u>\$ 10,284</u>	<u>\$ -</u>	<u>\$ 10,129</u>	<u>\$ -</u>	<u>\$ 589,525</u>

CITY OF MILACA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital Project Funds				Special Revenue Funds		
	All Parks Improvement Fund	Rec Park Improvement Fund	Veterans Memorial	Capital Projects Fund	EDA Fund	Youth Safety	Charitable Gambling
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,913
Tax Increment	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-
Investment Income	3,068	2,096	-	-	1,878	32	1,031
Miscellaneous	-	-	5,113	-	76,400	-	-
TOTAL REVENUES	<u>3,068</u>	<u>2,096</u>	<u>5,113</u>	<u>-</u>	<u>78,278</u>	<u>32</u>	<u>27,944</u>
EXPENDITURES							
Current:							
Public Safety	-	-	-	-	-	-	-
Parks and Recreation	-	1,000	-	-	-	-	23,538
Economic Development	-	-	-	-	1,654	-	-
Capital Outlay	18,342	-	2,575	5,188	139,800	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>18,342</u>	<u>1,000</u>	<u>2,575</u>	<u>5,188</u>	<u>141,454</u>	<u>-</u>	<u>23,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,274)	1,096	2,538	(5,188)	(63,176)	32	4,406
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	(11,500)	-	-	-	-	(49,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(11,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,000)</u>
NET CHANGE IN FUND BALANCES	(15,274)	(10,404)	2,538	(5,188)	(63,176)	32	(44,594)
FUND BALANCES - BEGINNING	<u>202,401</u>	<u>143,852</u>	<u>(1,059)</u>	<u>106,927</u>	<u>108,875</u>	<u>2,052</u>	<u>74,168</u>
FUND BALANCES - ENDING	<u>\$ 187,127</u>	<u>\$ 133,448</u>	<u>\$ 1,479</u>	<u>\$ 101,739</u>	<u>\$ 45,699</u>	<u>\$ 2,084</u>	<u>\$ 29,574</u>

CITY OF MILACA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BLANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds				Debt Service	
	Revolving Loan	Police Forfeitures	REC Fest	City Event	TIF District No. 1-10	Total Nonmajor Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,913
Tax Increment	-	-	-	-	44,934	44,934
Fines	-	1,200	-	-	-	1,200
Investment Income	976	153	-	179	-	9,413
Miscellaneous	-	-	-	-	-	81,513
TOTAL REVENUES	976	1,353	-	179	44,934	163,973
EXPENDITURES						
Current:						
Public Safety	-	4,094	-	-	-	4,094
Parks and Recreation	-	-	8,274	9,694	-	42,506
Economic Development	-	-	-	-	40,512	42,166
Capital Outlay	-	-	-	-	-	165,905
Debt Service:						
Principal	5,555	-	-	-	-	5,555
Interest and Other Charges	-	-	-	-	1,501	1,501
TOTAL EXPENDITURES	5,555	4,094	8,274	9,694	42,013	261,727
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,579)	(2,741)	(8,274)	(9,515)	2,921	(97,754)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	11,500	-	11,500
Transfers Out	-	-	-	-	-	(60,500)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	11,500	-	(49,000)
NET CHANGE IN FUND BALANCES	(4,579)	(2,741)	(8,274)	1,985	2,921	(146,754)
FUND BALANCES - BEGINNING	65,498	13,025	8,274	8,144	(99,315)	632,842
FUND BALANCES - ENDING	\$ 60,919	\$ 10,284	\$ -	\$ 10,129	\$ (96,394)	\$ 486,088

**CITY OF MILACA, MINNESOTA
SUPPLEMENTAL COMBINING BALANCE SHEET
DEBT SERVICE FUND
DECEMBER 31, 2023**

	2010 GO	2012 GO	2012	2014 Fire Hall	2015 GO Park	2017 Library
	Refunding Debt	Bonds	Equipment Certificate	Improvement	Debt	Lease Refunding
ASSETS						
Cash, Cash Equivalents, and Investments	\$ (35,175)	\$ 222,184	\$ 1,034	\$ 35,769	\$ 27,012	\$ 143,386
Property Taxes Receivable	-	2,322	-	-	3,545	-
Lease Receivables	-	-	-	95,406	-	-
TOTAL ASSETS	<u>\$ (35,175)</u>	<u>\$ 224,506</u>	<u>\$ 1,034</u>	<u>\$ 131,175</u>	<u>\$ 30,557</u>	<u>\$ 143,386</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue:						
Property Taxes	\$ -	\$ 1,886	\$ -	\$ -	\$ 2,880	\$ -
Leases	-	-	-	92,444	-	-
Total Deferred Inflows of Resources	-	1,886	-	92,444	2,880	-
FUND BALANCES						
Nonspendable	-	-	-	2,962	-	-
Restricted	-	222,620	1,034	35,769	27,677	143,386
Unassigned	(35,175)	-	-	-	-	-
Total Fund Balance	<u>(35,175)</u>	<u>222,620</u>	<u>1,034</u>	<u>38,731</u>	<u>27,677</u>	<u>143,386</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ (35,175)</u>	<u>\$ 224,506</u>	<u>\$ 1,034</u>	<u>\$ 131,175</u>	<u>\$ 30,557</u>	<u>\$ 143,386</u>

CITY OF MILACA, MINNESOTA
SUPPLEMENTAL COMBINING BALANCE SHEET (Continued)
DEBT SERVICE FUND
DECEMBER 31, 2023

	2019 Improvement Debt	2020 Loader Equipment Lease	2021 GO Street Project Bonds	2022 GO Street Project Bonds	Intrafund Activity	Total Debt Service Fund
ASSETS						
Cash, Cash Equivalents, and Investments	\$ 56,929	\$ (31,316)	\$ 54,748	\$ 60,602	\$ -	\$ 535,173
Property Taxes Receivable	4,964	-	4,956	1,912	-	17,699
Lease Receivables	-	-	-	-	-	95,406
TOTAL ASSETS	<u>\$ 61,893</u>	<u>\$ (31,316)</u>	<u>\$ 59,704</u>	<u>\$ 62,514</u>	<u>\$ -</u>	<u>\$ 648,278</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue:						
Property Taxes	\$ 4,032	\$ -	\$ 4,026	\$ 1,553	\$ -	\$ 14,377
Leases	-	-	-	-	-	92,444
Total Deferred Inflows of Resources	4,032	-	4,026	1,553	-	106,821
FUND BALANCES						
Nonspendable	-	-	-	-	-	2,962
Restricted	57,861	-	55,678	60,961	(66,491)	538,495
Unassigned	-	(31,316)	-	-	66,491	-
Total Fund Balance	<u>57,861</u>	<u>(31,316)</u>	<u>55,678</u>	<u>60,961</u>	<u>-</u>	<u>541,457</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 61,893</u>	<u>\$ (31,316)</u>	<u>\$ 59,704</u>	<u>\$ 62,514</u>	<u>\$ -</u>	<u>\$ 648,278</u>

CITY OF MILACA, MINNESOTA
SUPPLEMENTAL COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	2010 GO	2012 GO	2012	2014 Fire Hall	2015 GO Park	2017 Library
	Refunding Debt	Bonds	Equipment	Improvement	Debt	Lease
			Certificate			Refunding
REVENUES						
Taxes	\$ -	\$ 27,800	\$ -	\$ -	\$ 42,457	\$ -
Charges for Services	-	-	-	21,752	-	-
Investment Income (Loss)	-	924	-	98	457	387
Lease Interest	-	-	-	3,400	-	-
TOTAL REVENUES	-	28,724	-	25,250	42,914	387
EXPENDITURES						
Debt Service:						
Principal	-	95,000	-	19,000	30,000	-
Interest and Other Charges	-	2,162	-	760	8,929	-
TOTAL EXPENDITURES	-	97,162	-	19,760	38,929	-
EXCESS (DEFICIENCY) OF REVENUES						
OVER (UNDER) EXPENDITURES	-	(68,438)	-	5,490	3,985	387
FUND BALANCE - BEGINNING	(35,175)	291,058	1,034	33,241	23,692	142,999
FUND BALANCE - ENDING	<u>\$ (35,175)</u>	<u>\$ 222,620</u>	<u>\$ 1,034</u>	<u>\$ 38,731</u>	<u>\$ 27,677</u>	<u>\$ 143,386</u>

CITY OF MILACA, MINNESOTA
SUPPLEMENTAL COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (Continued)
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	2019 Improvement Debt	2020 Loader Equipment Lease	2021 GO Street Project Bonds	2022 GO Street Project Bonds	Intrafund Activity	Total Debt Service Fund
REVENUES						
Taxes	\$ 59,435	\$ -	\$ 59,347	\$ 22,886	\$ -	\$ 211,925
Charges for Services	-	-	-	-	-	21,752
Investment Income (Loss)	234	-	203	533	-	2,836
Lease Interest	-	-	-	-	-	3,400
TOTAL REVENUES	<u>59,669</u>	<u>-</u>	<u>59,550</u>	<u>23,419</u>	<u>-</u>	<u>239,913</u>
EXPENDITURES						
Debt Service:						
Principal	45,000	-	40,000	35,000	-	264,000
Interest and Other Charges	11,962	-	11,807	23,876	-	59,496
TOTAL EXPENDITURES	<u>56,962</u>	<u>-</u>	<u>51,807</u>	<u>58,876</u>	<u>-</u>	<u>323,496</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,707	-	7,743	(35,457)	-	(83,583)
FUND BALANCE - BEGINNING	<u>55,154</u>	<u>(31,316)</u>	<u>47,935</u>	<u>96,418</u>	<u>-</u>	<u>625,040</u>
FUND BALANCE - ENDING	<u>\$ 57,861</u>	<u>\$ (31,316)</u>	<u>\$ 55,678</u>	<u>\$ 60,961</u>	<u>\$ -</u>	<u>\$ 541,457</u>

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

	Issue Dates	Interest Rates	Maturity Dates	Initial Authorized Issue	Outstanding Balance 01/01/23	Issued	Paid	Outstanding Balance 12/31/23	Principal Due Within One Year
GOVERNMENTAL INDEBTEDNESS									
<u>General Obligation Bonds</u>									
G.O. Refunding Bonds, Series 2012A	8/22/2012	1.00-2.15%	2/1/2024	\$ 845,000	\$ 125,000	\$ -	\$ 95,000	\$ 30,000	\$ 30,000
G.O. Park Improvement Bonds, Series 2015A	3/16/2015	2.00-3.40%	12/15/2030	475,000	285,000		30,000	255,000	30,000
G.O. Street Reconstruction Bonds, Series 2019A	7/10/2019	2.10-3.00%	2/1/2031	545,000	455,000	-	45,000	410,000	45,000
G.O. Street Reconstruction Bonds, Series 2021A	8/12/2021	0.85-2.00%	2/1/2037	715,000	715,000	-	40,000	675,000	45,000
G.O. Street Reconstruction Bonds, Series 2022A	6/12/2022	3.35-4.00%	2/1/2037	570,000	570,000	-	35,000	535,000	30,000
<u>Notes Payable</u>									
G.O. Note Payable (Ambulance - ECE Loan)	3/3/2014	1.00%	3/3/2024	190,000	38,000	-	19,000	19,000	19,000
RLF Emergency Relief Note	5/22/2020	0.00%	10/1/2023	20,000	5,555	-	5,555	-	-
<u>Financing Arrangements</u>									
Equipment Financing Arrangement	1/1/2020	3.85%	1/1/2027	<u>223,016</u>	<u>135,367</u>	<u>-</u>	<u>-</u>	<u>135,367</u>	<u>26,104</u>
TOTAL GOVERNMENTAL DEBTS				3,583,016	2,328,922	-	269,555	2,059,367	225,104
ENTERPRISE INDEBTEDNESS									
<u>General Obligation Bonds</u>									
G.O. Water Revenue Bonds, Series 2022B	10/13/2022	3.25%	2/1/2028	373,000	373,000	-	-	373,000	67,000
<u>MN Public Facilities Authority Loan</u>									
G.O. Revenue Bonds, 2006	7/19/2006	1.07%	8/20/2026	<u>3,060,114</u>	<u>680,000</u>	<u>-</u>	<u>167,000</u>	<u>513,000</u>	<u>169,000</u>
TOTAL ENTERPRISE DEBTS				<u>3,433,114</u>	<u>1,053,000</u>	<u>-</u>	<u>167,000</u>	<u>886,000</u>	<u>236,000</u>
TOTAL INDEBTEDNESS				<u>\$ 7,016,130</u>	<u>\$ 3,381,922</u>	<u>\$ -</u>	<u>\$ 436,555</u>	<u>\$ 2,945,367</u>	<u>\$ 461,104</u>

OTHER REPORTS

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

Honorable Mayor and City Council
City of Milaca, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Milaca (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Milaca's basic financial statements and have issued our report thereon dated June 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Responses* as items 2023-001 and 2023-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings and Responses* as item 2023-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

Minnesota Legal Compliance

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

City's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City of Milaca's response to the findings identified in our engagement and described in the accompanying *Schedule of Findings and Responses*. The City of Milaca'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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SCHLENNER WENNER & CO.

St. Cloud, Minnesota

June 11, 2024

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

FINANCIAL STATEMENT FINDINGS

Finding 2023-001 Limited Segregation of Duties

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

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

Cause: Limited number of staff members.

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

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

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

Finding 2023-002 Financial Statement Preparation

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

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

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

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

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

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

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

FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2023-003 Material Audit Adjustments

Condition: Audit adjustments were required to correct material misstatements identified in the trial balance presented for the audit.

Criteria: The City is required to report financial information in accordance with accounting principles generally accepted in the United States of America.

Cause: The City failed to record certain year-end adjustments for the purpose of properly presenting accrual balances required under generally accepted accounting principles.

Effect: The misstatement in the trial balance presented for the audit resulted in the need to record audit adjustments to achieve fair financial statement presentation under accounting principles generally accepted in the United States of America.

Recommendation: We recommend management perform a thorough review of the trial balance prior to the audit and ensure all transactions have been properly recorded.

*Views of Responsible
Officials And Planned
Corrective Actions:*

Management agrees with the recommendation. See corresponding Corrective Action Plan.

**CITY OF MILACA, MINNESOTA
CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS

Finding 2023-001 Limited Segregation of Duties

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

Finding 2023-002 Financial Statement Preparation

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

**CITY OF MILACA, MINNESOTA
CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2023-003 Material Audit Adjustments

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding
The City will thoroughly review the trial balance prior to audit fieldwork and make any adjusting entries before submitting the trial balance to the auditors.

3. Official Responsible
Tammy Pfaff, City Manager, is the official responsible for ensuring corrective action.

4. Planned Completion Date
The Corrective Action Plan will be reviewed on an ongoing basis with no anticipated completion date.

5. Plan to Monitor Completion
The City Council will be monitoring this Corrective Action Plan.

ORDINANCE NO. 523

AN ORDINANCE AMENDING TITLE VII (TRAFFIC CODE) CHAPTER 73 (RECREATIONAL VEHICLES) SECTION 73.22 (PERMIT REQUIRED) AND SECTION 73.27 (PERMIT REQUIREMENTS) OF THE CITY OF MILACA CODE OF ORDINANCES

Additions are indicated by underline. Deletions are indicated by ~~strikethrough~~.

THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA ORDAINS AS FOLLOWS:

Section

- .01 Intent
- .02 Amendment
- .03 Penalty

§ .01 INTENT.

The City intends to amend the ordinance to set a permit fee and require display and limits on permit use.

§ .02 TITLE VII (TRAFFIC CODE) CHAPTER 73 (RECREATIONAL VEHICLES) SECTION 73.22 (PERMIT REQUIRED) AND SECTION 73.27 (PERMIT REQUIREMENTS) OF THE CITY OF MILACA CODE OF ORDINANCES ARE HEREBY AMENDED AS FOLLOWS:

§ 73.22 PERMIT REQUIRED.

Only persons who have a valid permit issued by the city under the conditions in §73.27 may operate a cart on any city street. Any person operating a golf cart shall have a valid Minnesota driver's license in their possession, at all times of operation. Permit must be displayed in an area that is highly visible. Permits are issued to the vehicle not the operator; those with multiple vehicles must purchase a permit for each vehicle.

(Ord. 98-4, passed 7-16-98; Am. Ord. 451, passed 7-18-19) Penalty, see § 73.99

§ 73.27 PERMIT REQUIREMENTS.

(A) Each person desiring a permit for the operation of a motorized golf cart must be 18 years of age and submit an application provided by the city ~~accompanied by an application fee as established by the City Council by resolution.~~ at a fee established by the City Council as set in Section 34.30.

(B) Each application shall show evidence of the name and address of the applicant, evidence of insurance which meets the requirements of M.S. § 65B.48(5), as amended from time to time, and other information as the city may require.

(C) Each permit must be renewed ~~annually~~ after a 3-year term and each renewal must meet the requirements set forth in this section.

(D) A permit may be revoked at any time if it is shown the permittee cannot safely operate the motorized golf cart on the designated routes or if the person has had a valid driver's license suspended, revoked or cancelled.

(E) Each person desiring a permit for the operation of a motorized golf cart shall show proof of a valid driver's license, or the permit shall be denied.

§ ____ .03 PENALTIES.

Any person convicted of violating any provision of this chapter shall be guilty of a misdemeanor, punishable by up to 90 days in jail, a \$1,000 fine or both.

Adopted by the City Council of the City of Milaca this _____ day of _____, 2024.

Mayor Dave Dillan

ATTEST:

Tammy Pfaff, City Manager

First Reading _____

Second Reading _____

Published _____

ORDINANCE NO. 524

AN ORDINANCE AMENDING TITLE VII (TRAFFIC CODE) CHAPTER 70 (TRAFFIC REGULATIONS) SECTION 70.11 (REGULATING SPECIAL VEHICLES ON ROADWAYS) OF THE CITY OF MILACA CODE OF ORDINANCES

Additions are indicated by underline. Deletions are indicated by ~~striketrough~~.

THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA ORDAINS AS FOLLOWS:

Section

- ___ .01 Intent
- ___ .02 Amendment
- ___ .03 Penalty

§ ___ .01 INTENT.

The City intends to amend the ordinance to set a permit fee and require display and limits on permit use.

§ ___ .02 TITLE VII (TRAFFIC CODE) CHAPTER 70 (TRAFFIC REGULATIONS) SECTION 70.11 (REGULATING SPECIAL VEHICLES ON ROADWAYS) OF THE CITY OF MILACA CODE OF ORDINANCES IS HEREBY AMENDED AS FOLLOWS:

§ 70.11 REGULATING SPECIAL VEHICLES ON ROADWAYS.

SPECIAL VEHICLES.

(a) ***MINI TRUCK.*** Defined by M.S. § 169.011, subd. 40a, and means a motor vehicle that has four wheels; is propelled by an electric motor with a rated power of 7,500 watts or less or an internal combustion engine with a piston displacement capacity of 660 cubic centimeters or less; has a total dry weight of 900 to 2,200 pounds; contains an enclosed cabin and a seat for the vehicle operator; commonly resembles a pickup truck or van, including a cargo area or bed located at the rear of the vehicle; and was not originally manufactured to meet federal motor vehicle safety standards required of motor vehicles in the Code of Federal Regulations, title 49, §§ 571.101 to 571.404 and successor requirements. A mini truck does not include:

1. A neighborhood electric vehicle or a medium-speed electric vehicle; or
2. A motor vehicle that meets or exceeds the regulations in the Code of Federal Regulations, title 49, § 571.500, and successor requirement.

(b) ***UTILITY TASK VEHICLE.*** Defined by M.S. § 169.011, subd. 40a, and means a side-by-side four-wheel drive off-road vehicle that has four wheels, is propelled by an internal combustion engine with a piston displacement capacity of 1,200 cubic centimeters or less, and has a total dry weight of 1,800 but less than 2,600 pounds.

STREETS. Any street, highway, avenue, alley, or other public right-of-way within the jurisdiction of the city, including the entire right-of-way.

(B) ***Special vehicle use on streets.*** The city authorizes the operation of mini trucks and utility task vehicles on all streets in the city as defined in this section. Operation of these vehicles is a privilege which may be revoked at any time if there is evidence that an operator cannot safely operate the vehicle. Special vehicles shall be authorized to operate in the following manner:

(1) *Issuance of a documented permit required.* The city ~~may grant and~~ will issue a permit document to the owner of a special vehicle for a period ~~not to exceed~~ of three years at a fee established by the City Council as set in Section 34.30. There is a replacement fee established by the City Council as set in Section 34.30. Permits are non-transferable, and which may be renewed. ~~There shall be at the time of filling out the application a permit fee as set by resolution of the City Council, as adopted from time to time. No permit is valid unless it is contained within the special vehicle when it is being operated; and~~ Permit must be displayed in an area that is highly visible. Permits are issued to the vehicle not the operator; those with multiple vehicles must purchase a permit for each one.

§ ____ .03 PENALTIES.

Any person convicted of violating any provision of this chapter shall be guilty of a misdemeanor, punishable by up to 90 days in jail, a \$1,000 fine or both.

Adopted by the City Council of the City of Milaca this ____ day of _____, 2024.

Mayor Dave Dillan

ATTEST:

Tammy Pfaff, City Manager

First Reading _____

Second Reading _____

Published _____

ORDINANCE NO. 525

AN ORDINANCE AMENDING TITLE III (ADMINISTRATION) CHAPTER 34 (FEES, CHARGES, AND RATES) SECTION 34.30 (SCHEDULE OF LICENSE AND PERMIT FEES/LICENSING AND PERMITS) OF THE CITY OF MILACA CODE OF ORDINANCES

THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA ORDAINS AS FOLLOWS:

Section

- ___ .01 Intent
- ___ .02 Amendment

§ ___ .01 INTENT.

The City intends to amend the ordinance to add a permit fee on permit use.

§ ___ .02 AN ORDINANCE AMENDING TITLE III (ADMINISTRATION) CHAPTER 34 (FEES, CHARGES, AND RATES) SECTION 34.30 (SCHEDULE OF LICENSE AND PERMIT FEES/LICENSING AND PERMITS) OF THE CITY OF MILACA CODE OF ORDINANCES ARE HEREBY AMENDED AS FOLLOWS:

Motorized Golf Carts	73.27	3 years	\$50.00	Ord. #523	XX/XX/2024
Mini Truck/UTV	70.11	3 years	\$50.00	Ord. #524	XX/XX/2024
		Replacement	\$15.00	Ord. #524	XX/XX/2024

Adopted by the City Council of the City of Milaca this ___ day of _____, 2024.

Mayor Dave Dillan

ATTEST:

Tammy Pfaff, City Manager

First Reading _____

Second Reading _____

Published _____

ORDINANCE NO. 526

AN ORDINANCE AMENDING TITLE VII (TRAFFIC CODE) CHAPTER 74 (TRAFFIC SCHEDULES) SCHEDULE V (MOTORIZED GOLF CARTS; RESTRICTED AREAS) OF THE CITY OF MILACA CODE OF ORDINANCES

Additions are indicated by underline. Deletions are indicated by ~~strikethrough~~.

THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA ORDAINS AS FOLLOWS:

Section

- .01 Intent
- .02 Amendment
- .03 Penalty

§ .01 INTENT.

The City intends to amend the ordinance to adjust locations where motorized golf carts are prohibited.

§ .02 TITLE VII (TRAFFIC CODE) CHAPTER 74 (TRAFFIC SCHEDULES) SCHEDULE V (MOTORIZED GOLF CARTS; RESTRICTED AREAS) OF THE CITY OF MILACA CODE OF ORDINANCES IS HEREBY AMENDED AS FOLLOWS:

SCHEDULE V. MOTORIZED GOLF CARTS; RESTRICTED AREAS.

Motorized golf carts may be operated on city streets, except the following.

<i>Restricted Street</i>	<i>Location</i>	<i>Permitted Crossings</i>
Central Ave.		Only at Third St. SE SW, and Seventh St. NE NW
First St. SE		Intersections in the most direct available route
Highway 23		Intersections in the most direct available route
Highway 169		Intersections in the most direct available route
Second Ave. SW	Between First St. SE and Second St. SW	Intersections in the most direct available route
Second St. SE		Intersections in the most direct available route

§ .03 PENALTIES.

Any person convicted of violating any provision of this chapter shall be guilty of a misdemeanor, punishable by up to 90 days in jail, a \$1,000 fine or both.

Adopted by the City Council of the City of Milaca this ____ day of _____, 2024.

Mayor Dave Dillan

ATTEST:

Tammy Pfaff, City Manager

First Reading _____

Second Reading _____

Published _____

FIRST READING

ORDINANCE NO. 527

AN ORDINANCE AMENDING TITLE IX: GENERAL REGULATIONS; CHAPTER 90 RECREATION; SECTION 90.04 GENERAL CONDUCT; SUBSECTION (G) DISTURBING THE PEACE – CONDUCT ; OF THE CITY OF MILACA CODE OF ORDINANCES

Additions are indicated by underline. Deletions are indicated by ~~striketrough~~.

THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA DOES ORDAIN AS FOLLOWS:

Section

- .01 Intent
- .02 Amendment
- .03 Penalty

§ .01 INTENT.

The City intends to amend the ordinance to allow for police officer discretion in issuing a trespass notice with a specified duration, rather than require City Council action.

§ .02 TITLE IX: GENERAL REGULATIONS; CHAPTER 90 RECREATION; SECTION 90.04 GENERAL CONDUCT; SUBSECTION (G) DISTURBING THE PEACE – CONDUCT ; OF THE CITY OF MILACA CODE OF ORDINANCES IS HEREBY AMENDED AS FOLLOWS:

(G) Disturbing the peace - conduct.

(1) No person, or group of persons, may disturb the peace and good order in any park by either word or act.

(2) No person, or group of persons, may use threatening, abusive, insulting, obscene or indecent language or commit, perform or engage in any lewd, lascivious, obscene or indecent act.

(3) No person, or group of persons, may engage in fighting, quarreling, wrangling, riotous clamor, or tumult.

(4) No person, or group of persons, may disturb, harass, or interfere with any park user or the user's property.

(5) No person may solicit or ask anyone to commit, perform or engage in any lewd, lascivious, obscene, or indecent act or behavior.

TRESPASS ADVISORY

Dear _____,

You are hereby advised that the City of Milaca and the Milaca Police Department revokes and withdraws any permission or license which you may have had to enter onto any City of Milaca parks.

You no longer have permission, given or implied, to enter onto said property for any purpose. Any entry upon said property by you shall constitute a trespass.

Willful trespass is a misdemeanor offense punishable in Minnesota by up to 90 days in jail and a \$1,000 fine or both.

This trespass notice is valid for one calendar year from the date of issuance, unless otherwise amended by the Milaca City Council.

If you wish to contest this trespass notice, you will be required to provide notice of your intent to appeal to the Milaca City Manger, within 10 business days of receipt of this notice, and attend the next scheduled Milaca City Council meeting at the Milaca City Hall to make your request.

You may not return to this property for any purpose unless the Milaca City Council has reviewed your written request to be removed from the trespass and has found it permissible. Such notice would be made in writing and no verbal permission will be issued or valid.

This advisory will be hand delivered or mailed to above mentioned, or their parent/guardian.

A copy of this notice will be maintained by the Milaca Police Department.

Chief Quinn Rasmussen

Date

Hand Delivered

Mailed

Early Cannabis Cultivation May Require City Action

May 28, 2024

As a result of recent legislative changes, cities should review their zoning ordinances and determine if changes need to be made to properly regulate cannabis cultivation.

The Minnesota Legislature has adopted the [Conference Committee Report on HF 4757](#) related to cannabis regulations within the state. The legislation requires the Office of Cannabis Management (OCM) to begin accepting applications for social equity applicants on July 24, 2024, with applications closing on Aug. 12, 2024. A successful social equity applicant will need preapproval to operate a cannabis business.

The [legislation's language regarding early cultivation](#) allows businesses that have received preapproval to immediately begin cultivating cannabis if the business:

- Complies with local zoning ordinances.
- Complies with state fire and building codes.
- Complies with [Minnesota rules related to medical cannabis](#).

No other cannabis-related operations may commence until OCM had adopted final rules, which are expected early next year.

Impact on cities

This new exception for early cultivation is a change from the original legislation, which prohibited all cannabis operations, including cultivation, until rules were adopted.

As a result of this legislation, cities should review their zoning ordinances and determine what changes need to be made to properly regulate cannabis cultivation. In the alternative, [cities still have the ability to adopt a moratorium](#) on cannabis businesses. A moratorium may be a proper action if a city cannot effectively amend their zoning ordinances in time to deal with early cultivation.

Many cities have already adopted moratoriums related to cannabis businesses. In those cities, an approved social equity applicant would be prohibited from operating under the early cultivation exception because they would not meet local zoning ordinances.

OCM is currently working on model zoning ordinances as required by statute. It is unclear, however, whether the model ordinances and guidelines will be available in time for cities to adopt prior to early cultivation.

The League encourages cities to work with their city attorney to determine the proper course to deal with early cultivation of cannabis.

[Read more news articles.](#)

Your LMC Resource

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ORDINANCE NO. 528

**AN INTERIM ORDINANCE PROHIBITING ACCEPTANCE OR
CONSIDERATION OF APPLICATIONS FOR NEW CANNABIS AND CANNABIDIOL
MANUFACTURING AND CULTIVATION LICENSURE**

WHEREAS, many cities have adopted interim ordinances or regulations on aspects of planning and zoning regulations to study their impacts and determine whether the regulations are appropriate in order to protect the public health, safety and welfare of their citizens; and

WHEREAS, the City is undertaking a study to effectuate changes to the Zoning Ordinance and City Code that would regulate the manufacturing and cultivation of cannabis and cannabidiol (CBD) for medical, recreational and other purposes and may implement many of the suggestions from the study.

NOW, THEREFORE, pursuant to Minnesota Statutes, Section 462.355 subdivision 4, the City Council of Milaca does ordain:

SECTION 1. No applications related to the license, use, development, variances, conditional use permits or any other planning or licensing applications that involves the manufacturing or cultivation of cannabis, medical or recreational, in any way, and cannabidiol products shall be accepted or considered until January 1, 2025, from the effective date of this ordinance or until ordinances regulating such uses become effective, whichever occurs first.

SECTION 2. City Staff is directed to conduct a study to gather information and make a recommendation to determine how the Zoning Ordinance and City Code need to be amended regarding this use to better protect the citizens of Milaca.

SECTION 3. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

The City will be undergoing a study regarding CBD and cannabis manufacturing and cultivation. No zoning or licensing applications will be accepted until the City adopts regulations regarding these uses, or for a period of one year, whichever occurs first.

SECTION 4. EFFECTIVE DATE AND EXPIRATION DATE. This ordinance shall be in full force and effect from and after its passage and publication according to law and shall expire upon adoption of ordinances regulating such uses or on January 1, 2025, from its effective date, whichever comes first.

Approved this _____ day of _____, 2024.

Dave Dillan, Mayor

ATTEST:

Tammy Pfaff, City Manager

FIRST READING

RESOLUTION NO. 24-15

A RESOLUTION ADOPTING THE DRUG AND ALCOHOL TESTING AND DRUG-FREE WORKPLACE ACT POLICY FOR NON-COMMERCIAL DRIVERS (NON-DOT)

WHEREAS, the Non-DOT Drug and Alcohol Testing Policy of the City of Milaca is to be adopted by policy; and

WHEREAS, The City Council of the City of Milaca will adopt this policy effective the 20th day of July, 2023; and

WHEREAS, it is the intention of the City Council of the City of Milaca to continue the effectiveness of the Policies (including any subsequent amendments) without any break in their application through the adoption of Policies by this Resolution;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Milaca that the following Non-DOT Drug and Alcohol Testing Policy of the City of Milaca are hereby adopted by this Resolution, effective the 20th day of July, 2023:

Purpose and Objectives

The City of Milaca has a vital interest in maintaining safe, healthful, and efficient working conditions for all employees including seasonal and volunteer firefighters, and recognizes that individuals who are impaired because of drugs and/or alcohol jeopardize the safety and health of other workers as well as themselves. The City of Milaca does not intend to intrude into the private lives of its employees, but strongly believes that a drug- and alcohol-free workplace is in the best interest of employees and the public alike. Alcohol and drug abuse can cause unsatisfactory job performance, increased tardiness and absenteeism, increased accidents and workers' compensation claims, higher insurance rates, and an increase in theft of city property. The City of Milaca's Drug and Alcohol Testing Non-DOT policy has been established for the purpose of providing a safe workplace for all.

City employees and applicants required to hold a commercial driver's license by the United States Department of Transportation ("DOT") for their job will be tested under the city's Policy on Controlled Substance and Alcohol Testing for Commercial Drivers (the "DOT Policy"). All other employees and job applicants offered employment with the city must undergo testing as described by this policy.

To ensure the policy is clearly communicated to all employees and applicants to whom offers of employment have been made, and to comply with state law, employees and applicants are required to review this policy and sign the "policy acknowledgement." A job applicant will also acknowledge in this form that he/she understands that passing the drug test is a

requirement of the job.

Persons Subject to Testing and Circumstances Under Which Testing May Be Required

Under this policy, the city may test any applicant to whom an offer of employment has been made and may test employees for alcohol and/or drugs, including cannabis, under the following circumstances with a properly accredited or licensed testing laboratory, in accordance with Minn. Stat. § 181.953, subd. I.

(1) Pre-Employment Testing:

Every job applicant offered employment with the city receives the offer conditioned upon successful completion of an alcohol and/or drug test, among other conditions. The city will not request or require a job applicant to undergo cannabis testing or withdraw an offer of employment based on cannabis testing, except with respect to the categories of positions listed below in the definition of "drug," or if otherwise required by state or federal law. If the job offer is withdrawn based on alcohol and/or drug test results, the city will inform the applicant of the reasons for the withdrawal. A failure of the alcohol and/or drug test, a refusal to take the test, or failure to meet other conditions of the offer will result in a withdrawal of the offer of employment even if the applicant's provisional employment has begun. A negative or positive dilute test result (following a second collection), which has been confirmed, will also result in immediate withdrawal of an offer of employment to an applicant.

Temporary and seasonal employees are also subject to this policy. May want to address when testing will be conducted for temporary and seasonal hires.

(2) Reasonable Suspicion Testing:

Consistent with Minn. Stat. § 181.951, subd. 3, employees will be subject to alcohol and/or drug testing, including cannabis testing, when reasonable suspicion exists to believe that the employee:

- Is under the influence of alcohol or a drug; or
- Has violated written work rules prohibiting the use, possession, sale or transfer of drugs or alcohol, including cannabis, while working, while on city property, or while operating city vehicles, machinery or any other type of equipment; or
- Has sustained a personal injury as defined in Minn. Stat. § 176.011, subd. 16 or has caused another employee to sustain an injury or;
- Has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

Reasonable suspicion may be based upon, but is not limited to, facts regarding appearance, behavior, speech, breath, odor, possession, proximity to or use of alcohol or drugs or containers or paraphernalia, poor safety record, excessive absenteeism, impairment of job performance, or any other circumstances that would cause a reasonable employer to believe that a violation of the city's policies concerning alcohol or drugs may have occurred. These observations will be reflected in writing on a Reasonable Suspicion Record Form.

For off-site collection, employees will be driven to the employer-approved medical facility by their supervisor or a designee. For an on-site collection service, the employee will remain

on site and be observed by the supervisor or designee. The medical facility or on-site collection service will take the urine or blood sample and will forward the sample to an approved laboratory for testing.

Pursuant to the requirements of the Drug-Free Workplace Act of 1988, all city employees, as a condition of continued employment, will agree to abide by the terms of this policy and must notify the City Manager of any criminal drug statute conviction for a violation occurring in the workplace not later than five days after such conviction. If required by law or government contract, the city will notify the appropriate federal agency of such conviction within 10 days of receiving notice from the employee.

(3) Treatment Program Testing:

In accordance with Minn. Stat. § 181.951, subd. 6, the city may request or require an employee to undergo drug and alcohol testing, including cannabis testing, if the employee has been referred by the city for chemical dependency treatment or evaluation or is participating in a chemical dependency treatment program under an employee benefit plan. In such a case, the employee may be requested or required to undergo drug or alcohol testing, including cannabis testing, without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed chemical dependency treatment program.

(4) Routine Physical Examination Testing:

The city may request or require an employee to undergo drug and/or alcohol testing-but not cannabis testing, except for the categories of positions listed above for which cannabis is considered a drug or unless otherwise required by state or federal law-as part of a routine physical examination. The city, in accordance with Minn. Stat. § 181. 951, subd. 3, may request or require this type of testing no more than once annually, and the employee will be provided with at least two weeks' written notice that the test will be required as part of the physical examination. Drug and/or alcohol testing conducted pursuant to this provision of the policy may occur provided the city first has a lawful basis to direct such an examination. The city acknowledges that nothing within this policy permits it to direct a routine physical examination, medical examination, or fitness for duty examination of an employee as a routine matter, and that any such examination must have a lawful basis that is job-related and consistent with business necessity or otherwise permitted by law. This provision does not reduce the rights of employees under any federal, state, or local laws, rules, regulations, ordinances, or applicable collective bargaining agreements.

(5) Random Testing:

In accordance with Minn. Stat. § 181.951, subd. 4, the city may require an employee to submit to random testing, including cannabis testing, if the employee is in a safety-sensitive position. The city may require a ~~An employee may be subject to a new~~ random drug test if it's been at least one year from the date of their last drug screen.

Right of Refusal:

Employees and job applicants have the right to refuse to submit to an alcohol and/or drug test under this policy. However, such a refusal will subject an employee to immediate termination. If an applicant refuses to submit to applicant testing, any conditional offer of employment will be withdrawn.

Any intentional act or omission by the employee or applicant that prevents the completion of the testing process constitutes a refusal to test.

An applicant or employee who substitutes, or attempts to substitute, or alters, or attempts to alter a testing sample is considered to have refused to take a drug and/or alcohol test. In such a case, the employee is subject to immediate termination of employment, and in the case of an applicant, the job offer will be immediately withdrawn.

Refusal on Religious Grounds:

An employee or job applicant who, on religious grounds, refuses to undergo drug and/or alcohol testing of a blood sample will not be considered to have refused testing, unless the employee or job applicant also refuses to undergo drug and/or alcohol testing of a urine sample.

Cost of Required Testing:

The city will pay for the cost of all drug and/or alcohol testing requested or required of all job applicants and employees, except for confirmatory retests. Job applicants and employees are responsible for paying for all costs associated with any requested confirmatory retests.

**Prohibition against Drugs and Alcohol Use
and Possession of Alcohol or Drug(s):**

Employees are prohibited from the use, possession, transfer, transportation, manufacture, distribution, sale, purchase, solicitation to sell or purchase, or dispensation of alcohol, drugs, including cannabis, or drug paraphernalia, while on duty; while on city premises; while operating any city vehicle, machinery, or equipment; or when performing any city business, except (1) pursuant to a valid medical prescription used as properly instructed; (2) the use of over-the-counter drugs used as intended by the manufacturer; or (3) when necessary for approved law enforcement activity.

Besides having a zero-tolerance policy for the use or possession of alcohol, illegal drugs, or misused prescription drugs on the worksite, we also prohibit the use, possession of, impairment by any cannabis or medical cannabis products (e.g., hash oils, edibles or beverages containing cannabinoids, or pills) on the worksite by a person working as an employee at the city or while "on call" and subject to return to work. Having a medical marijuana card, patient registry number, and/or cannabis prescription from a physician does not allow anyone to use, possess, or be impaired by that drug here. Likewise, the fact that cannabis may be lawfully purchased and consumed does not permit anyone to use, possess, or be impaired by them here. The federal government still classifies cannabis as an illegal drug, even though some states, including Minnesota, have decriminalized its possession and use. There is no acceptable concentration of marijuana metabolites in the blood or urine of an employee who operates our equipment or vehicles or who is on one of our worksites.

Applicants and employees are still subject to being tested under our drug and alcohol testing policy.

And employees are subject to being disciplined, suspended, or terminated after testing positive for cannabis if the employee used, possessed, or was impaired by cannabis, including medical cannabis, while on the premises of the place of employment or during the hours of employment.

While Impaired of Alcohol or Drug(s):

Employees are prohibited from being under the influence of alcohol or drugs, including cannabis, or having a detectable amount of an illegal drug in the blood or urine when reporting for work; while on duty; whole on the city's premises; while operating any city vehicle, machinery, or equipment; or when performing any city business, except (1) pursuant to a valid medical prescription used as properly instructed; or (2) the use of over-the-counter drug used as intended by the manufacturer.

Driving While Impaired:

A conviction of driving while impaired in a city-owned vehicle at any time during business or non-business hours, or in an employee-owned vehicle while conducting city business, may result in discipline, up to and including discharge.

Criminal Drug Convictions:

Any employee convicted of any criminal drug statute must notify his or her supervisor [and the city's Human Resources Division/City Manager] in writing of such conviction no later than five days after such conviction. Within 30 days after receiving notice from an employee of a drug-related conviction, the city will take appropriate personnel action against the employee up to and including discharge or require the employee to satisfactorily participate in a drug abuse assistance or rehabilitation program as an alternative to termination. In the event notice is not provided to the supervisor and the employee is deemed to be incapable of working safely, the employee will not be permitted to work and will be subject to disciplinary action, including dismissal from employment. In accordance with the Federal Drug-Free Workplace Act of 1988, if the city is receiving federal grants or contracts of over \$25,000, the city will notify the appropriate federal agency of such conviction within 10 days of receiving notice from the employee.

Failure to Disclose Lawful Drugs:

Employees taking a lawful drug, including prescription and over-the-counter drugs, which may impair their ability to perform their job responsibilities or pose a safety risk to themselves or others, must advise their supervisor of this before beginning work. It is the employee's responsibility to seek out written information from his/her physician or pharmacist regarding medication and any job performance impairment and relay that information to his/her supervisor. In the event of such a disclosure, the employee will not be authorized to perform safety-sensitive functions.

Review and Notification of Test Results

Notification of Negative Test Results:

In the case of job applicants and in accordance with Minn. Stat. § 181.953, (Human

Resources) will notify a job applicant of a negative drug result within three days of receipt of result by the city, and the hiring process will resume. In accordance with Minn. Stat. § 181.953, subd. 3, a laboratory must report results to the city within three working days of the confirmatory test result. A "Negative Test Results Notification" form will be sent to the job applicant, and the job applicant may request a copy of the test result report from Human Resources.

In the case of current employees and in accordance with Minn. Stat. § 181.953, Human Resources will notify the employee of a negative drug and/or alcohol result within three days of receipt of result by the city. A "Negative Test Results Notification" form will be sent to the employee, and he or she may request a copy of the test result report from Human Resources/the City Manager.

Notification of Positive Test Results:

In the event of a confirmed positive blood or urine alcohol and/or drug test result, the city will notify the employee of a positive drug and/or alcohol result within three days of receipt of the result. Human Resources/City Manager will send to the employee or job applicant a "Positive Test Results Notification" letter containing further instructions. The employee or job applicant may contact Human Resources to request a copy of the test result report if desired. In accordance with Minn. Stat. § 181.953, subd. 3, a laboratory must report results to the city within three working days of the confirmatory test result.

Right to Provide Information after Receiving Test Results:

Within three working days after notice of a positive drug or alcohol test result on a confirmatory test, the employee or job applicant may submit information to the city to explain the positive result. In accordance with Minn. Stat. § 181.953, subd. 10, if an employee submits information either before a test or within three working days after a positive test result that explains the positive test result, (such as medications the employee is taking), the city will not take an adverse employment action based on that information unless the employee has already been under an affirmative duty to provide the information before, upon, or after hire.

Right to Confirmatory Retest:

A job applicant or employee may request a confirmatory retest of the original sample at the job applicant's or employee's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the job applicant or employee must notify the city in writing of the job applicant's or employee's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the city will notify the original testing laboratory that the job applicant or employee has requested the laboratory to conduct the confirmatory retest or transfer the sample to another qualified laboratory licensed to conduct the confirmatory retest. The original testing laboratory will ensure the control and custody procedures are followed during transfer of the sample to the other laboratory. In accordance with Minn. Stat. § 181.953, subd. 3, the laboratory is required to maintain all samples testing positive for a period of six months. The confirmatory retest will use the same drug and/or alcohol threshold detection levels as used in the original confirmatory test.

In the case of job applicants, if the confirmatory retest does not confirm the original positive test result, the city's job offer will be reinstated, and the city will reimburse the job applicant for the actual cost of the confirmatory retest. In the case of employees, if the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test will be taken against the employee, the employee will be reinstated with any lost wages or salary for time lost pending the outcome of the confirmatory retest result, and the city will reimburse the employee for the actual cost of the confirmatory retest.

Access to Reports:

In accordance with Minn. Stat. § 181.953, subd. 10, an employee will have access to information contained in his or her personnel file relating to positive test results and to the testing process, including all information gathered as part of that process.

Dilute Specimens:

A negative or positive dilute test result (following a second collection) which has been confirmed will subject an employee to immediate termination.

Consequences for Employees Engaging in Prohibited Conduct

Job Applicants:

The city's conditional offer of employment will be withdrawn from any job applicant who refuses to be tested or tests positive for illegal drugs as verified by a confirmatory test.

Employees:

- No Adverse Action without Confirmatory Test. The city will not discharge, discipline, discriminate against, or request or require rehabilitation of an employee based on a positive test result from an initial screening test that has not been verified by a confirmatory test.
- Suspension Pending Test Result. The city may temporarily suspend a tested employee with or without pay or transfer that employee to another position at the same rate of pay pending the outcome of the requested confirmatory retest, provided the city believes that it is reasonably necessary to protect the health or safety of the employee, co-employees, or the public. The employee will be asked to return home and will be provided appropriate arrangements for return transportation to his or her residence. In accordance with Minn. Stat. § 181.953, subd. 10, an employee who has been suspended without pay will be reinstated with back pay if the outcome of the requested confirmatory retest is negative.

Discipline and Discharge:

Confirmatory Positive Test Result:

The city will not discharge an employee for a first confirmatory positive test unless the following conditions have been met:

- The city has first given the employee an opportunity to participate in either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the city after consultation with a certified chemical use counselor or

physician trained in the diagnosis and treatment of chemical dependency. Participation by the employee in any recommended substance abuse treatment program will be at the employee's own expense or pursuant to the coverage under an employee benefit plan. The certified chemical use counselor or physician trained in the diagnoses and treatment of chemical dependency will determine if the employee has followed the rehabilitation program as prescribed; and

- The employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a refusal to test or positive test result on a confirmatory test after completion of the program.

Other Misconduct:

Nothing in this policy limits the right of the city to discipline or dismiss an employee on grounds other than a positive confirmatory test result, including conviction of any criminal drug statute for a violation occurring in the workplace or violation of other city personnel policies.

Collective Bargaining Agreements: Discipline of employees covered by a collective bargaining agreement shall be in accordance with the provisions therein.

Emergency Call Back to Work Provisions:

If an employee is called out for a city emergency and he or she reports to work and is suspected of being under the influence of drugs or alcohol, he or she will not be subject to the testing procedures of this policy but may be subject to discipline and will not be allowed to work.

Appropriate arrangements for return transportation to the employee's residence will be made. It is the sole responsibility of the employee who is under the influence of alcohol and/or drugs and who is called out for a city emergency, to notify his or her supervisor of this information and advise if he or she is unable to respond to the emergency call back.

Non-Discrimination

The City of Milaca policy on work-related substance abuse is non-discriminatory in intent and application; however, in accordance with Minn. Stat., Ch. 363, disability does not include conditions resulting from alcohol or other drug abuse which prevents an employee from performing the essential functions of the job in question or constitutes a direct threat to property or the safety of individuals.

Furthermore, the city will not retaliate against any employee for asserting his or her rights under this policy.

City's Employee Assistance Program

The city has in place a formal employee assistance program (EAP) to assist employees in addressing serious personal or work-related problems at any time. The city's EAP provides confidential, cost-free, short-term counseling to employees and their families. Employees who may have an alcohol or other drug abuse problem are encouraged to seek assistance before a problem affects their employment status.

Policy Contact for Additional Information

If you have any questions about this policy or the city's drug and alcohol testing procedures, you may contact your immediate supervisor or the City Manager to obtain additional information.

By this policy, the City of Milaca has established a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace and its policy of maintaining a drug-free workplace. Each city employee will receive a copy of this policy and will be required to read it.

Definitions

Alcohol: Means the intoxicating agent in beverage alcohol or any low molecular weight alcohols such as ethyl, methyl, or isopropyl alcohol. The term includes but is not limited to beer, wine, spirits, and medications such as cough syrup that contain alcohol.

Alcohol use or usage: Means the consumption of any beverage, mixture, or preparation, including any medication, containing alcohol.

Applicant: Means a person applying for a job with the city.

Cannabis: Means cannabis and its metabolites, including cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Cannabis testing: Mean analysis of a body component sample according to the standards established under one of the programs listed in Minn. Stat. § 181.953, subd. 1, for the purpose of measuring their presence or absence of cannabis in the sample tested.

City: Means the City of Milaca.

City premises: Means, but is not limited to, all city job sites and work areas. For the purposes of this policy, city premises also includes any other locations or modes of transportation to and from those locations while in the course and scope of employment of the city.

City vehicle: Means any vehicle which employees are authorized to use solely for city business when used at any time; or any vehicle owned or leased by the city when used for city business.

Collection site: Means a place designated by the city where job applicants and employees present themselves for the purpose of providing a specimen of their breath, urine, and/or blood to be analyzed for the presence of drugs and alcohol.

Confirmatory test: Means a drug and/or alcohol test on a sample to substantiate the results of a prior drug and/or alcohol test on the same sample, and that uses a method of analysis allowed under one of the programs listed in Minn. Stat. § 181.953, subd. 1.

Drug: Includes any "controlled substance" as defined in Minn. Stat. § 152.01, subd. 4, and also includes all cannabinoids, including those that are lawfully available for public consumption that do not otherwise qualify as being a "controlled substance" as defined in Minn. Stat. § 152.01, subd. 4. Cannabis and its metabolites are considered a "drug" for positions in the following categories, regardless of the kind of testing involved: safety sensitive positions; peace officer positions; firefighter positions; positions requiring face-to-face care, training, education, supervision, counseling or medical assistance to children, vulnerable adults or patients receiving treatment, examination or emergency care for a medical, psychiatric or mental condition; positions requiring a commercial driver's license or requiring the employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing; positions funded by a federal grant; or other positions for which state or federal law requires testing of a job applicant or employee.

Drug and/or alcohol testing, and drug and/or alcohol test: Means analysis of a body component sample according to the standards established under one of the programs listed in Minn. Stat. § 181.953, subd. 1, for the purpose of measuring their presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.

Drug paraphernalia: Has the meaning set forth in Minn. Stat. § 152.01, subd. 18.

Employee: Means a person who performs services for compensation for the city and includes independent contractors except where specifically noted in this policy.

Initial screening test: Means a drug and/or alcohol test that uses a method of analysis under one of the programs listed in Minn. Stat. § 181.953, subd. 1.

Job applicant: Means a person who applies to become an employee of the city and includes a person who has received a job offer made contingent on the person passing drug testing.

Positive test result: ~~Means a finding of the presence of alcohol, drugs, or their metabolites that exceeds the cutoff levels established by the city. Minimum threshold detection levels are subject to change as determined in the city's sole discretion.~~

~~The city will partner with the testing laboratory before establishing cutoff levels.~~

"Positive test result" means a finding of the presence of drugs, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection level established by the city and contained in the standards of one of the programs listed at Minn. Stat §181.953, subd. 1 regarding reliability and fairness safeguards in testing. The threshold detection level must be established by the city prior to testing and may not be changed without at least thirty (30) days' notice to employees.

Random selection basis: Means a mechanism for selection of employees that (1) results in an equal probability that any employee from a group of employees subject to the selection mechanism will be selected, and (2) does not give an employer discretion to waive the selection of any employee selected under the mechanism.

Reasonable suspicion: Means a basis for forming a belief based on specific facts and rational inferences drawn from those facts.

Safety-sensitive position: Means a job, including any supervisory or management position, in which an impairment caused by drug, alcohol, and/or cannabis usage would threaten the health or safety of any person.

Under the influence: Means (1) the employee tests positive for alcohol or drugs, or (2) the employee's actions, appearance, speech, and/or bodily odors reasonably cause the city to conclude that the employee is impaired because of illegal drug use or alcohol use.

This policy replaces previous Non-DOT Drug and Alcohol Testing for Commercial Drivers Policy - Resolution #23-24 dated 07-20-2023.

Date of Policy: 06-24-2024

Mayor Dave Dillan

ATTEST:

City Manager Tammy Pfaff

RESOLUTION NO. 24-16

RESOLUTION APPROVING 2024 LIQUOR/TOBACCO/THC LICENSES

BE IT RESOLVED that the Milaca City Council hereby approves the 2024 Liquor, Tobacco, and THC licenses as listed below, with the pro-rated fee of \$233.61.

2024 LIQUOR/TOBACCO LICENSES – CITY OF MILACA

LICENSE TYPE	LIC #	LIC FEE
THC LICENSE		
Kwik Trip #1026	2024-03THC	\$233.61

Adopted this 24th day of June, 2024.

Mayor Dave Dillan

ATTEST

Tammy Pfaff, City Manager

RESOLUTION NO. 24-17

**RESOLUTION APPROVING A PUBLIC HEARING FOR AN INTERIM ORDINANCE
AUTHORIZING A STUDY AND IMPOSING A MORATORIUM ON THE ACCEPTANCE OR
CONSIDERATION OF APPLICATIONS FOR NEW CANNABIS AND CANNABIDIOL
MANUFACTURING AND CULTIVATION LICENSURE**

THE CITY COUNCIL FOR THE CITY OF MILACA DOES HEREBY RESOLVE THAT:

WHEREAS, The Minnesota Legislature recently enacted, and Governor signed, 2023 Minnesota Session Laws, Chapter 63 – H.F. No. 100 (“Act”), which is comprehensive legislation relating to cannabis including, but not limited to, the establishment of the Office of Cannabis Management (“OCM”), legalizing and limiting the possession and use of cannabis and certain hemp products by adults, providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses, taxing the sale of cannabis flower, cannabis products, and certain hemp products, establishing grant and loan programs, amending criminal penalties, providing for expungement of certain convictions and providing for the temporary regulation of certain edible cannabinoid products; and,

WHEREAS, the Act provides local units of government certain authority related to cannabis businesses, including the authority to (1) require local registration of certain cannabis businesses operating retail establishments, (2) adopt reasonable restrictions on the time, place, and manner of the operation of cannabis businesses, provided that such restrictions do not prohibit the establishment or operation of a cannabis businesses, (3) limit the number of certain cannabis businesses based on the population of the community, and (4) prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field; and,

WHEREAS The Act requires the OCM, which was established effective July 1, 2023, to work with local governments to develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of cannabis businesses. The Act also requires the OCM to establish additional rules and regulations relating to the operation of cannabis businesses. The City will benefit from reviewing and analyzing the OCM’s model ordinances, rules and regulations before making any decisions related to the regulation of cannabis businesses in the City; and,

WHEREAS, The Act (Minnesota Statutes, section 342.13(e)) expressly allows a local unit of government that is conducting studies or has authorized a study to be conducted or has held or scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place and manner of the operation of cannabis businesses to adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the

planning process and the health, safety, and welfare of its citizens. The interim ordinance may regulate, restrict, or prohibit the operation of cannabis businesses within the jurisdiction or a portion thereof until January 1, 2025; and,

WHEREAS, Given the uncertainty regarding the model ordinances to be developed by the OCM and the broad scope of the changes to Minnesota law brought about by the Act, the City desires to adopt an interim ordinance for the purpose of protecting the planning process and the health, safety, and welfare of its citizens; and,

WHEREAS, The City desires to conduct a study for the purpose of considering the adoption or amendment of reasonable restrictions on the time, place and manner of the operation of cannabis and cannabidiol manufacturing and cultivation, as well as the other regulations local units of government may adopt under the Act.

NOW THEREFORE BE IT RESOLVED, that a public hearing for an interim ordinance authorizing a study and imposing a moratorium on the operation of cannabis and cannabidiol manufacturing and cultivation shall be had on the ____ day of _____, 2024 at the Milaca City Hall at approximately 6:30PM.

Adopted by the City Council of the City of Milaca on this 24th day of June, 2024.

APPROVED:

Mayor Dave Dillan

ATTEST:

Tammy Pfaff, City Manager



Incident Summary by Incident Type

Date Range: 5/1/2024 to 5/31/2024

Incident Type	# of Incidents
911 Hang Up	2
Accident	9
Agency Assist	31
Alarm	10
Animal	6
Assault	2
Child Custody	1
Civil Issue	4
Community Contact	2
Danco Violation	1
Disturbance	5
Domestic	1
Driving Complaint	8
Drugs	1
Family Services Referral	8
Fire	2
Firearms Complaint	1
Found Property	5
Gas Drive Off	1
Harassment Complaint	1
Icr Misc	28
Juvenile Complaint	6
Lockout	8
Medical	40
Missing Adult	1
Missing Juvenile	1
Motorist Assist	3



Incident Summary by Incident Type

Date Range: 5/1/2024 to 5/31/2024

Noise Complaint	2
Ofp Violation	2
Parking Complaint	2
Public Assist	13
Recovered Property	1
Remove Unwanted	2
Rms Import	1
Suspicious Activity	9
Theft	7
Threats Complaint	2
Traffic	28
Welfare Check	14
Total: 271	

