



City Council  
City of Maple Plain  
Maple Plain, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Maple Plain as of and for the year ended December 31, 2024, and have issued our report thereon dated May 12, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our communication dated August 21, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### **Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Maple Plain are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*, which establishes standards of accounting and financial reporting for compensated absences. This statement is effective for fiscal years beginning after December 15, 2023. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The City adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

The City also changed accounting policies related to accounting changes and error corrections by adopting Statement of Governmental Accounting Standards Board (GASB) No. 100, *Accounting Changes and Error Corrections*. This statement required the City to evaluate and disclose the nature and effects of accounting changes and error corrections in the financial statements. The City adopted the requirements of the guidance effective January 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the net pension asset related to the fire relief association is based on an actuarial study performed by an independent actuary. We evaluated the methods, assumptions, and data used to develop the net pension asset related to the fire relief association and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

### Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was related to the City's net pension liability in Note 4.

The financial statement disclosures are neutral, consistent, and clear.

### **Significant unusual transactions**

We identified no significant unusual transactions.

### **Difficulties encountered in performing the audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Uncorrected misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarized uncorrected misstatements of the financial statements:

- The General Fund receivables and fund balance is understated based on the projected error for differences in receivables by \$16,576 due to the timing of accounts receivable that were received after reconciliations were prepared for the audit.
- The General Fund taxes receivable and deferred inflows of resources are overstated by \$8,413, as the Hennepin County report shows a negative receivable for taxes, but they are unable to clarify if the City owes the County money, if the County made an error, or if the City will just receive less tax revenue during 2025, and we do not have enough information to be sure of how to properly account for the negative receivable.
- The General Fund taxes receivable and fund balance are overstated by \$4,684 due to miscellaneous adjustments for 2018 delinquent tax fall off and auditor differences in 2023.
- Government Activities deferred outflows are understated by \$31,152, deferred inflows are overstated by \$35,614, and net position is understated by \$66,766 due to differences in calculations for pension liability, deferred inflows & deferred outflows from the prior year audit.

***Corrected misstatements***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated May 12, 2025.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

***Supplementary information in relation to the financial statements as a whole***

With respect to the combining and individual fund financial statements and summary financial report (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements.

We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated May 12, 2025.

**Other information included in annual reports**

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory section. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of City of Maple Plain and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
May 12, 2025