

# **FINANCIAL STATEMENTS**

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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City of New Prague, Minnesota  
Annual Financial Report  
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For the Year Ended December 31, 2024

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INTRODUCTORY SECTION

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
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City of New Prague, Minnesota  
Elected and Appointed Officials  
For the Year Ended December 31, 2024

**Elected Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Duane Jirik	Mayor	12/31/2026
Bruce Wolf	VP	12/31/2028
Maggie Bass	Council	12/31/2026
Rik Seiler	Council	12/31/2026
Shawn Ryan	Council	12/31/2028

**Appointed Officials**

Joshua Tetzlaff	City Administrator
Scott Joint Prosecution Assoc.	Criminal Attorney
Scott Riggs	Civil Attorney

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FINANCIAL SECTION

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of New Prague  
New Prague, Minnesota

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of New Prague, Minnesota, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General fund for the year then ended in conformity 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.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Change in Accounting Principle***

As described in Note 9 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 9 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.



## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios starting on page 90 be presented to supplement the basic financial statements. Such information, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining, individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining, individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025 on our consideration of the City'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'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's internal control over financial reporting and compliance.



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March 24, 2025



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## Management's Discussion and Analysis

As management of the City of New Prague, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

### Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased as shown in the summary of changes in net assets table on the following pages. This increase was due to an increase in charges for services and capital grants and contributions in the business-type activities and decreased public works and culture and rec expenditures due some larger capital projects coming to a close.
- As of the close of the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to the issuance of General Obligation Bonds, Series 2024A to cover ongoing project costs. The total of assigned and unassigned fund balance as shown in the governmental fund balance table is available for spending at the City's discretion.
- Unassigned fund balance in the General Fund, as shown in the financial analysis of the City's funds section, decreased from the prior year.
- The City's total bonded debt increase during the year. The increase was due to the issuance of General Obligation Bonds, Series 2024A.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 reflects how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**Figure 1**  
**Required Components of the**  
**City's Annual Financial Report**

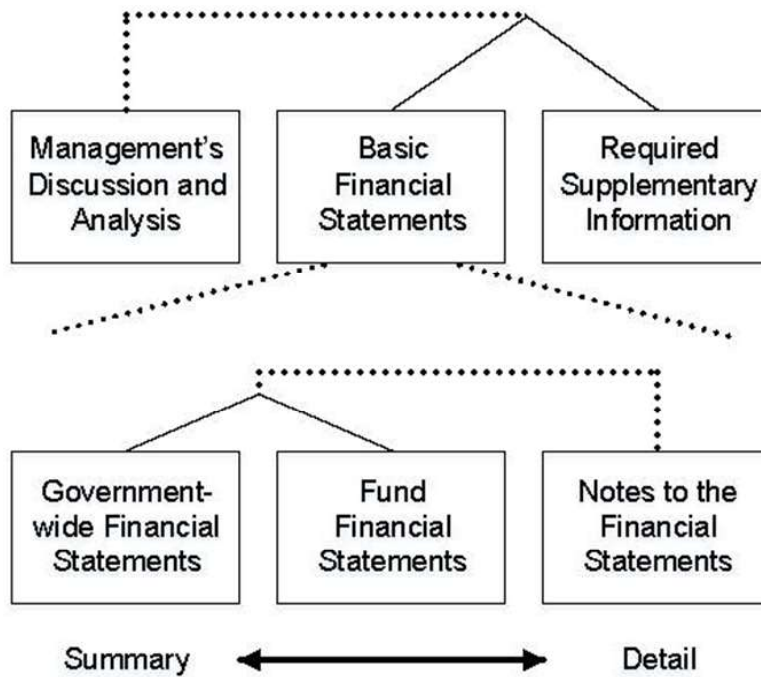


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure 2**  
**Major Features of the Government-wide and Fund Financial Statements**

	<b>Government-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of Net Position</li> <li>• Statements of Revenues, Expenses and Changes in Net Position</li> <li>• Statements of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid.	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and highways, culture and recreation, economic development and miscellaneous. The business-type activities of the City include water utility, sewer utility, electric utility, storm water utility, golf and ambulance.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority and Housing and Redevelopment Authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found starting on page 33 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds, many of which are Debt Service funds, which are reported as one major fund for the government-wide financial statements. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service funds and the CIP 2024 fund, all of which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund and several special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 38 of this report.

**Proprietary Funds.** The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility, electric utility, storm water utility, golf and ambulance operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found starting on page 43 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 49 of this report.

**Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of New Prague's share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found starting on page 90 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to financial statements. Combining and individual fund financial statements and schedules can be found starting on page 102 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by at the close of the most recent fiscal year.

A large portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## City of New Prague's Summary of Net Position

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 20,405,521	\$ 19,434,599	\$ 970,922	\$ 25,817,068	\$ 22,890,773	\$ 2,926,295
Capital assets	25,378,301	23,667,404	1,710,897	51,723,256	51,747,280	(24,024)
Total Assets	<u>45,783,822</u>	<u>43,102,003</u>	<u>2,681,819</u>	<u>77,540,324</u>	<u>74,638,053</u>	<u>2,902,271</u>
Deferred Outflows of Resources	<u>2,036,347</u>	<u>2,687,547</u>	<u>(651,200)</u>	<u>236,741</u>	<u>463,061</u>	<u>(226,320)</u>
<b>Liabilities</b>						
Long-term liabilities						
outstanding	13,852,968	13,264,941	588,027	33,584,755	33,667,198	(82,443)
Other liabilities	1,005,139	1,029,932	(24,793)	2,005,994	2,138,019	(132,025)
Total Liabilities	<u>14,858,107</u>	<u>14,294,873</u>	<u>563,234</u>	<u>35,590,749</u>	<u>35,805,217</u>	<u>(214,468)</u>
Deferred Inflows of Resources	<u>2,488,388</u>	<u>2,440,138</u>	<u>48,250</u>	<u>749,525</u>	<u>538,453</u>	<u>211,072</u>
<b>Net Position</b>						
Net investment in						
capital assets	14,172,513	13,597,101	575,412	19,563,910	19,996,938	(433,028)
Restricted	9,355,715	8,981,063	374,652	-	-	-
Unrestricted	<u>6,945,446</u>	<u>6,476,375</u>	<u>469,071</u>	<u>21,872,881</u>	<u>18,760,506</u>	<u>3,112,375</u>
Total Net Position	<u>\$ 30,473,674</u>	<u>\$ 29,054,539</u>	<u>\$ 1,419,135</u>	<u>\$ 41,436,791</u>	<u>\$ 38,757,444</u>	<u>\$ 2,679,347</u>
<b>Net Position as a Percent of Total</b>						
Net investment in						
capital assets	46.5 %	46.8 %		47.2 %	51.6 %	
Restricted	30.7	30.9		-	-	
Unrestricted	22.8	22.3		52.8	48.4	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

**Governmental Activities.** Governmental activities increased the City's net position, as shown below. This increase was mainly due to a decrease in public works expenses. Key elements of this increase are as follows:

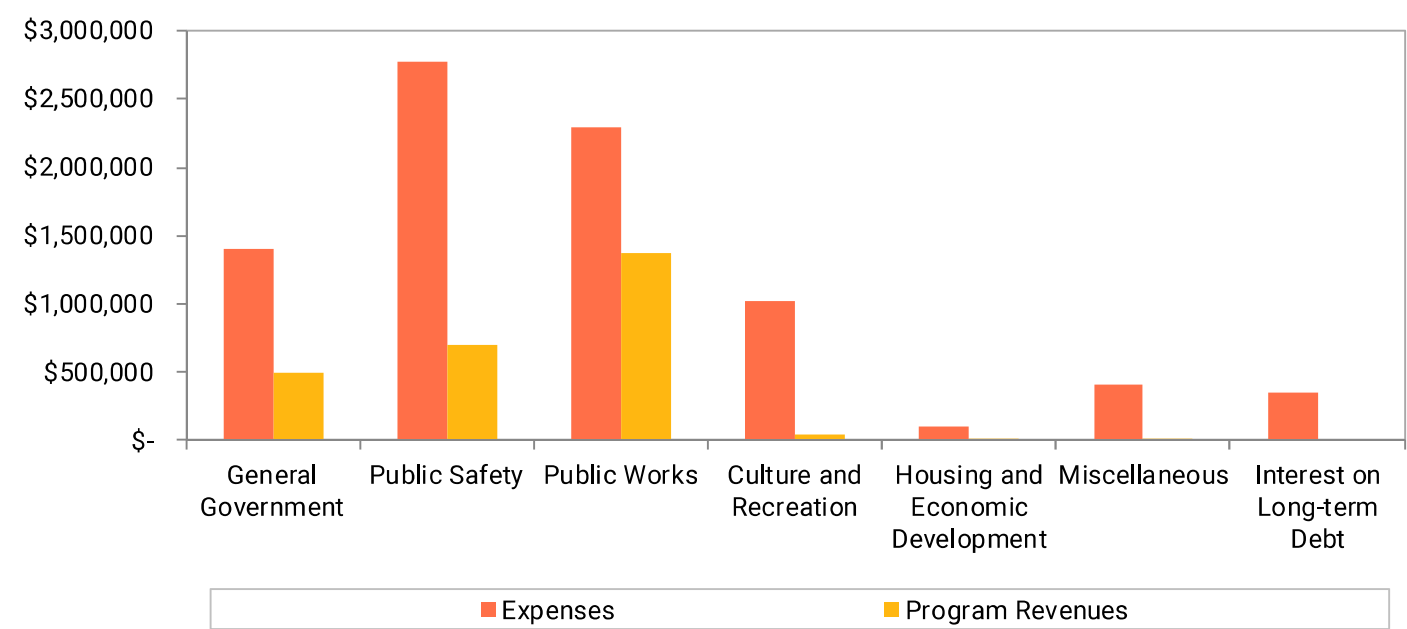
### City of New Prague's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 1,008,539	\$ 566,661	\$ 441,878	\$ 18,027,368	\$ 17,570,505	\$ 456,863
Operating grants and contributions	442,195	774,529	(332,334)	-	-	-
Capital grants and contributions	1,175,108	2,874,352	(1,699,244)	858,558	341,666	516,892
General Revenues						
Property taxes/tax increments	4,869,599	4,853,414	16,185	-	-	-
Franchise taxes	87,942	94,949	(7,007)	-	-	-
Grants and contributions not restricted to specific programs	1,486,861	1,532,098	(45,237)	184,918	199	184,719
Investment earnings	682,500	696,255	(13,755)	774,383	612,568	161,815
Other	25,297	67,298	(42,001)	-	-	-
Gain on sale of capital assets	12,403	73,602	(61,199)	150,252	23,945	126,307
Total Revenues	<u>9,790,444</u>	<u>11,533,158</u>	<u>(1,742,714)</u>	<u>19,995,479</u>	<u>18,548,883</u>	<u>1,446,596</u>
Expenses						
General government	1,407,774	1,409,875	(2,101)	-	-	-
Public safety	2,777,697	2,764,556	13,141	-	-	-
Public works	2,294,041	2,757,709	(463,668)	-	-	-
Culture and recreation	1,028,846	1,067,252	(38,406)	-	-	-
Economic development	109,490	109,139	351	-	-	-
Miscellaneous	403,933	86,379	317,554	-	-	-
Interest on long-term debt	347,582	227,206	120,376	-	-	-
Water utility	-	-	-	1,530,665	1,484,765	45,900
Sewer utility	-	-	-	4,112,317	4,010,713	101,604
Storm water utility	-	-	-	447,801	404,204	43,597
Electric utility	-	-	-	9,727,959	9,406,677	321,282
Golf	-	-	-	1,485,352	1,498,240	(12,888)
Ambulance	-	-	-	13,984	13,674	310
Total Expenses	<u>8,369,363</u>	<u>8,422,116</u>	<u>(52,753)</u>	<u>17,318,078</u>	<u>16,818,273</u>	<u>499,805</u>
Increase (Decrease) in Net Position Before Transfers	1,421,081	3,111,042	(1,689,961)	2,677,401	1,730,610	946,791
Transfers	<u>(1,946)</u>	<u>(81,270)</u>	<u>79,324</u>	<u>1,946</u>	<u>81,270</u>	<u>(79,324)</u>
Change in Net Position	1,419,135	3,029,772	(1,610,637)	2,679,347	1,811,880	867,467
Net Position - January 1	<u>29,054,539</u>	<u>26,024,767</u>	<u>3,029,772</u>	<u>38,757,444</u>	<u>36,945,564</u>	<u>1,811,880</u>
Net Position - December 31	<u>\$ 30,473,674</u>	<u>\$ 29,054,539</u>	<u>\$ 1,419,135</u>	<u>\$ 41,436,791</u>	<u>\$ 38,757,444</u>	<u>\$ 2,679,347</u>

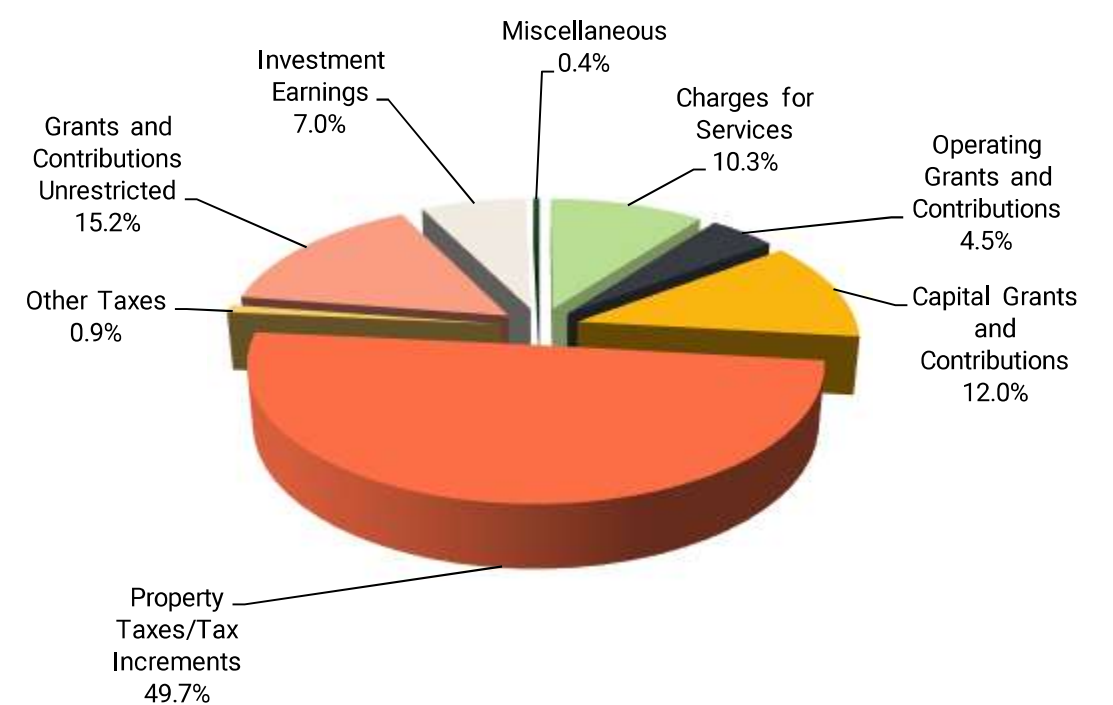
The decrease in capital grants and contributions in the governmental activities, relates to the completion of the 2023 street project. The increase in public safety expenses relates to the construction of the police addition project.

The following graphs depict various governmental activities and show the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

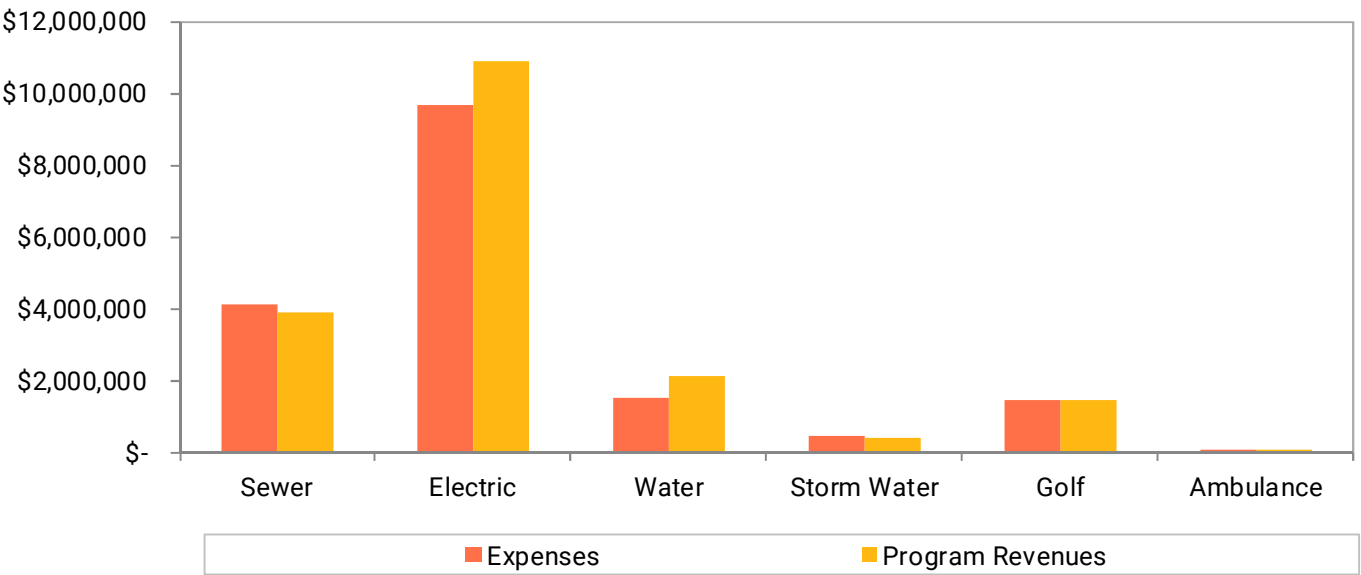




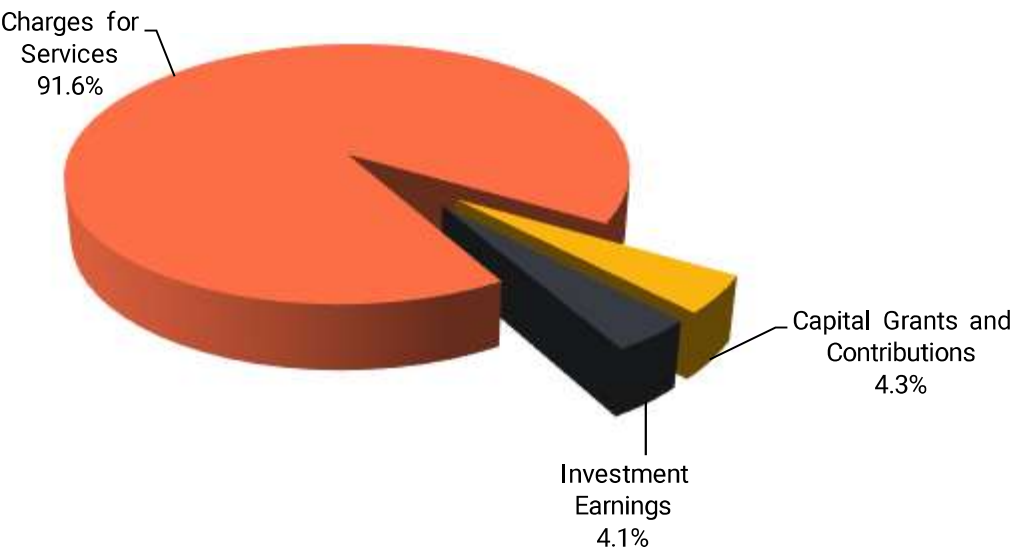
**Business-type Activities.** Business-type activities increased the City’s net position as shown in the changes in net position table in the pages above. Key factors for the increase are as follows:

- Charges for services for business-type activities increased due to increases in rates and usage during the year.
- Total expenses for business-type activities increased due to rising costs for materials.
- Investment earnings increased due to rising interest rates.

**Expenses and Program Revenues - Business - type Activities**



**Revenues by Source - Business - type Activities**



## Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2024:

	General Fund	Debt Service Fund	CIP 2024	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	\$ 10,841	\$ -	\$ -	\$ -	\$ 10,841	\$ -	\$ 10,841
Restricted	145,615	4,863,319	202,980	1,465,972	6,677,886	6,775,819	(97,933)
Committed	743,987	-	-	69,482	813,469	743,987	69,482
Assigned	1,709,329	-	-	3,315,531	5,024,860	4,042,555	982,305
Unassigned	3,512,553	-	-	(745,663)	2,766,890	3,046,572	(279,682)
	<u>\$ 6,122,325</u>	<u>\$ 4,863,319</u>	<u>\$ 202,980</u>	<u>\$ 4,105,322</u>	<u>\$ 15,293,946</u>	<u>\$ 14,608,933</u>	<u>\$ 685,013</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 49 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 10,841	\$ -	\$ 10,841
Restricted	145,615	359,753	(214,138)
Committed	743,987	743,987	-
Assigned	1,709,329	1,198,162	511,167
Unassigned	<u>3,512,553</u>	<u>3,189,952</u>	<u>322,601</u>
	<u>\$ 6,122,325</u>	<u>\$ 5,491,854</u>	<u>\$ 630,471</u>
General Fund expenditures	\$ 6,563,757	\$ 5,454,082	
Unassigned as a percent of expenditures	53.5%	58.5%	
Total Fund Balance as a percent of expenditures	93.3%	100.7%	

The fund balance of the City's General Fund increased during the current fiscal year as shown in the table above. The increase was due to decreased capital outlay in the parks department related to the purchase of a building in 2023. It was also due to an increase in miscellaneous revenues which includes some insurance proceeds received during the year.

Other major governmental analysis is shown below:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Debt Service fund	\$ 4,863,319	\$ 4,878,058	\$ (14,739)
<i>The Debt Service fund decrease in fund balance during the year was due to increased principal payments during the current year.</i>			
CIP 2024	\$ 202,980	\$ (181,171)	\$ 384,151
<i>The CIP 2024 total fund balance increased during the due to the issuance of General Obligation Bonds, Series 2024A to cover ongoing project costs.</i>			

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Water Utility	\$ 9,200,534	\$ 8,426,635	\$ 773,899
<i>The Water Utility fund increase in fund balance during the year was due to increased charges for services revenue during the current year.</i>			
Electric Utility	\$ 18,280,952	\$ 16,850,237	\$ 1,430,715
<i>The Electric Utility fund increase in fund balance during the year was due to increased charges for services revenue during the current year.</i>			
Sewer Utility	\$ 9,254,947	\$ 9,067,046	\$ 187,901
<i>The Sewer Utility total fund balance increased during the due to increased charges for servies and capital contributions incurred in the current year.</i>			

#### General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 6,140,734	\$ -	\$ 6,140,734	\$ 6,625,611	\$ 484,877
Expenditures	6,379,904	-	6,379,904	6,563,757	(183,853)
Excess of Revenues Over Expenditures	(239,170)	-	(239,170)	61,854	301,024
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	12,403	12,403
Insurance recoveries	5,000	-	5,000	396,407	391,407
Transfers in	188,506	-	188,506	218,430	29,924
Transfers out	(41,946)	-	(41,946)	(58,623)	(16,677)
Total Other Financing Sources (Uses)	151,560	-	151,560	568,617	417,057
Net Change in Fund Balances	(87,610)	-	(87,610)	630,471	718,081
Fund Balances, January 1	5,491,854	-	5,491,854	5,491,854	-
Fund Balances, December 31	\$ 5,404,244	\$ -	\$ 5,404,244	\$ 6,122,325	\$ 718,081

The City's overall budget was not amended during the year as shown above.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, is shown below in the capital assets table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year was is shown in the table below.

Major capital asset events during the current fiscal year included the following:

- Parks Department
  - Parks Building
  - 2024 Toolcat
- Street Department
  - Chevy Silverado
- Police Department
  - Chevy Equinox
  - Mobile Radios
- Fire Department
  - Air Packs with Accessories
- Enterprise Funds – Water
  - Scada System
  - 10<sup>th</sup> Ave Water Main
  - Roof Replacement
- Enterprise Funds – Electric
  - GIS Mapping System
  - Chevy Silverado
  - Electric Vehicle Chargers
- 2024 CIP road construction project

Additional information on the City's capital assets can be found in Note 3C starting on page 63 of this report.

### City of New Prague's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities			Total		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 2,060,359	\$ 2,013,415	\$ 46,944	\$ 178,148	\$ 178,148	\$ -	\$ 2,238,507	\$ 2,191,563	\$ 46,944
Land Improvements	645,616	669,187	(23,571)	5,257	6,820	(1,563)	650,873	676,007	(25,134)
Buildings and Improvements	4,362,872	3,255,463	1,107,409	20,068,027	20,992,742	(924,715)	24,430,899	24,248,205	182,694
Infrastructure	11,248,534	12,459,048	(1,210,514)	24,237,042	23,153,533	1,083,509	35,485,576	35,612,581	(127,005)
Furniture and Equipment	1,868,718	1,993,263	(124,545)	6,479,491	7,035,351	(555,860)	8,348,209	9,028,614	(680,405)
Construction in Progress	5,192,202	3,277,028	1,915,174	755,291	380,686	374,605	5,947,493	3,657,714	2,289,779
<b>Total</b>	<b>\$ 25,378,301</b>	<b>\$ 23,667,404</b>	<b>\$ 1,710,897</b>	<b>\$ 51,723,256</b>	<b>\$ 51,747,280</b>	<b>\$ (24,024)</b>	<b>\$ 77,101,557</b>	<b>\$ 75,414,684</b>	<b>\$ 1,686,873</b>
Percent increase (decrease)			7.2%			0.0%			2.2%

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding consisting of special assessment debt, revenue related debt, and general obligation debt as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

## City of New Prague's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
General Obligation Bonds	\$ 1,400,000	\$ 1,730,000	\$ (330,000)	\$ -	\$ -	\$ -
G.O. Improvement Bonds	9,292,749	7,797,846	1,494,903	-	-	-
G.O. Revenue Bonds	-	-	-	30,921,249	30,741,154	180,095
Revenue Bonds	-	-	-	373,000	262,000	111,000
Indenture of Trust	121,000	132,000	(11,000)	-	-	-
<b>Total</b>	<b>\$ 10,813,749</b>	<b>\$ 9,659,846</b>	<b>\$ 1,153,903</b>	<b>\$ 31,294,249</b>	<b>\$ 31,003,154</b>	<b>\$ 291,095</b>
Percent increase (decrease)			11.9%			0.9%

The City's total debt increased during the current fiscal year as shown in the table above. The key factor in this increase was the issuance of General Obligation Bonds, Series 2024A.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$31,054,863 which is in excess of the City's outstanding general obligation debt of \$1,400,000.

Additional information on the City's long-term debt can be found in Note 3E starting on page 66 of this report.

### Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Scott County is currently 2.3 percent, which is the same rate of 2.3 percent a year ago. The rate for Le Sueur County is currently at 4.6 percent, which is an increase from a rate of 4.4 percent a year ago. These rates can be compared to the State's average unemployment rate of 2.7 percent and the national average rate of 3.8 percent.

All of these factors were considered in preparing the City's budget for the 2025 fiscal year.

- The City's adopted 2025 General fund expenditure budget totaled \$7,008,854, which is a \$589,214 or 1.28 percent decrease over the 2024 adopted budget of \$6,419,640.
- New single family residential homes constructed in 2024 totaled 10. This was lower than the total of 11 new homes constructed in 2023.
- The rate increases for utility operations for 2025 are as follows:
  - Electric: 2% increase for residential and commercial rates and 2.3 percent for industrial and demand rates. Customer base charge increased by \$1.
  - Water: Increase of \$0.50/1000 gallons and \$2 increase to the monthly customer charge. Seasonal rates implemented in 2024 will remain in effect for 2025.
  - Sewer: 3.5 percent increase for residential and commercial rates
  - Storm Sewer: 4% increase in residential and commercial rates

### Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of New Prague, 118 Central Avenue North, New Prague, Minnesota 56071.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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City of New Prague, Minnesota  
Statement of Net Position  
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Authority
<b>Assets</b>				
Cash and temporary investments	\$ 15,063,517	\$ 21,283,262	\$ 36,346,779	\$ 677,004
Receivables				
Interest	278,712	-	278,712	-
Delinquent taxes	24,364	-	24,364	-
Accounts, net of allowance	155,565	2,041,074	2,196,639	-
Notes, net of allowance	493,840	-	493,840	-
Special assessments	2,906,125	1,072,404	3,978,529	-
Intergovernmental	1,170,606	91,355	1,261,961	316
Inventories	-	1,327,746	1,327,746	-
Prepaid items	10,841	1,227	12,068	-
Land held for resale	-	-	-	453,940
Net pension asset	301,951	-	301,951	-
Capital assets				
Nondepreciable	7,252,561	933,439	8,186,000	-
Depreciable, net of accumulated depreciation	18,125,740	50,789,817	68,915,557	742,244
Total Assets	<u>45,783,822</u>	<u>77,540,324</u>	<u>123,324,146</u>	<u>1,873,504</u>
<b>Deferred Outflows of Resources</b>				
Deferred other post employment benefit resources	15,400	11,371	26,771	122
Deferred pension resources	2,020,947	225,370	2,246,317	4,657
Total Deferred Outflows of Resources	<u>2,036,347</u>	<u>236,741</u>	<u>2,273,088</u>	<u>4,779</u>
<b>Liabilities</b>				
Accounts and contracts payable	660,271	1,072,724	1,732,995	2,493
Due to other governments	33,046	38,259	71,305	-
Accrued interest payable	155,405	426,507	581,912	-
Accrued wages payable	96,300	66,058	162,358	1,144
Deposits payable	18,173	249,353	267,526	-
Unearned revenue	41,944	153,093	195,037	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	1,346,565	2,123,796	3,470,361	-
Other postemployment benefits liability	7,963	5,877	13,840	63
Due in more than one year				
Long-term liabilities	10,672,404	30,340,686	41,013,090	-
Net pension liability	1,713,354	1,031,212	2,744,566	18,145
Other postemployment benefits liability	112,682	83,184	195,866	891
Total Liabilities	<u>14,858,107</u>	<u>35,590,749</u>	<u>50,448,856</u>	<u>22,736</u>
<b>Deferred Inflows of Resources</b>				
Deferred other post employment benefit resources	32,784	24,203	56,987	259
Deferred pension resources	2,455,604	725,322	3,180,926	13,384
Total Deferred Inflows of Resources	<u>2,488,388</u>	<u>749,525</u>	<u>3,237,913</u>	<u>13,643</u>
<b>Net Position</b>				
Net investment in capital assets	14,172,513	19,563,910	33,736,423	742,244
Restricted for				
Debt service	7,239,197	-	7,239,197	-
Capital projects	587,510	-	587,510	-
Net pension asset	301,951	-	301,951	-
Economic development	1,071,606	-	1,071,606	-
Park improvements	9,836	-	9,836	-
Public safety aid	145,615	-	145,615	-
Unrestricted	6,945,446	21,872,881	28,818,327	1,099,660
Total Net Position	<u>\$ 30,473,674</u>	<u>\$ 41,436,791</u>	<u>\$ 71,910,465</u>	<u>\$ 1,841,904</u>

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

City of New Prague, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,407,774	\$ 491,786	\$ -	\$ -
Public safety	2,777,697	417,863	288,552	-
Public works	2,294,041	40,629	150,614	1,175,108
Culture and recreation	1,028,846	37,339	3,029	-
Economic development	109,490	13,722	-	-
Miscellaneous	403,933	7,200	-	-
Interest on long-term debt	347,582	-	-	-
Total Governmental Activities	<u>8,369,363</u>	<u>1,008,539</u>	<u>442,195</u>	<u>1,175,108</u>
Business-type activities				
Sewer utility	4,112,317	3,592,320	-	327,999
Electric utility	9,727,959	10,768,483	-	175,793
Water utility	1,530,665	1,792,049	-	354,766
Storm water utility	447,801	411,769	-	-
Golf	1,485,352	1,442,554	-	-
Ambulance	13,984	20,193	-	-
Total Business-type Activities	<u>17,318,078</u>	<u>18,027,368</u>	<u>-</u>	<u>858,558</u>
Total Primary Government	<u>\$ 25,687,441</u>	<u>\$ 19,035,907</u>	<u>\$ 442,195</u>	<u>\$ 2,033,666</u>
Component Unit				
Economic development	<u>\$ 62,736</u>	<u>\$ -</u>	<u>\$ 825</u>	<u>\$ -</u>

General Revenues

Property taxes, levied for general purposes  
Property taxes, levied for debt service  
Property taxes, levied for other governmental funds  
Tax increments  
Franchise taxes  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Other revenues  
Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expense) Revenue and  
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Economic Development Authority
\$ (915,988)	\$ -	\$ (915,988)	
(2,071,282)	-	(2,071,282)	
(927,690)	-	(927,690)	
(988,478)	-	(988,478)	
(95,768)	-	(95,768)	
(396,733)	-	(396,733)	
(347,582)	-	(347,582)	
<u>(5,743,521)</u>	<u>-</u>	<u>(5,743,521)</u>	
-	(191,998)	(191,998)	
-	1,216,317	1,216,317	
-	616,150	616,150	
-	(36,032)	(36,032)	
-	(42,798)	(42,798)	
-	6,209	6,209	
<u>-</u>	<u>1,567,848</u>	<u>1,567,848</u>	
			<u>\$ (61,911)</u>
3,756,037	-	3,756,037	75,181
862,989	-	862,989	-
138,275	-	138,275	-
112,298	-	112,298	-
87,942	-	87,942	-
1,486,861	184,918	1,671,779	-
682,500	774,383	1,456,883	23,593
25,297	-	25,297	-
12,403	150,252	162,655	-
(1,946)	1,946	-	-
<u>7,162,656</u>	<u>1,111,499</u>	<u>8,274,155</u>	<u>98,774</u>
1,419,135	2,679,347	4,098,482	36,863
<u>29,054,539</u>	<u>38,757,444</u>	<u>67,811,983</u>	<u>1,805,041</u>
<u>\$ 30,473,674</u>	<u>\$ 41,436,791</u>	<u>\$ 71,910,465</u>	<u>\$ 1,841,904</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

City of New Prague, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2024

	General	Debt Service	CIP 2024	Other Governmental Funds	Totals
<b>Assets</b>					
Cash and temporary investments	\$ 5,960,388	\$ 4,448,454	\$ 431,626	\$ 4,223,049	\$ 15,063,517
Receivables					
Interest	278,712	-	-	-	278,712
Delinquent taxes	24,364	-	-	-	24,364
Accounts	152,794	-	-	2,771	155,565
Notes, net of allowance	-	466,666	-	27,174	493,840
Special assessments	4,549	2,652,283	-	249,293	2,906,125
Intergovernmental	139,540	1,665	-	1,029,401	1,170,606
Prepaid items	10,841	-	-	-	10,841
<b>Total Assets</b>	<b>\$ 6,571,188</b>	<b>\$ 7,569,068</b>	<b>\$ 431,626</b>	<b>\$ 5,531,688</b>	<b>\$ 20,103,570</b>
<b>Liabilities</b>					
Accounts and contracts payable	\$ 239,598	\$ 53,466	\$ 228,646	\$ 138,561	\$ 660,271
Due to other governments	33,046	-	-	-	33,046
Accrued wages payable	96,300	-	-	-	96,300
Deposits payable	18,173	-	-	-	18,173
Unearned revenue	32,833	-	-	9,111	41,944
<b>Total Liabilities</b>	<b>419,950</b>	<b>53,466</b>	<b>228,646</b>	<b>147,672</b>	<b>849,734</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	24,364	-	-	-	24,364
Unavailable revenue - special assessments	4,549	2,652,283	-	249,293	2,906,125
Unavailable revenue - grants	-	-	-	1,029,401	1,029,401
<b>Total Deferred Inflows of Resources</b>	<b>28,913</b>	<b>2,652,283</b>	<b>-</b>	<b>1,278,694</b>	<b>3,959,890</b>
<b>Fund Balances</b>					
Nonspendable					
Prepaid items	10,841	-	-	-	10,841
Restricted for					
Debt service	-	4,863,319	-	-	4,863,319
Economic development	-	-	-	1,071,606	1,071,606
Capital projects	-	-	202,980	384,530	587,510
Park improvements	-	-	-	9,836	9,836
Public safety aid	145,615	-	-	-	145,615
Committed for					
Emergency weather/disaster purposes	100,000	-	-	-	100,000
Future athletic field	143,987	-	-	-	143,987
Public facilities and infrastructure	500,000	-	-	-	500,000
Upgrades	-	-	-	69,482	69,482
Assigned for					
Acquisition of equipment and vehicles	413,120	-	-	-	413,120
Renovation/replacement of public facilities	1,153,279	-	-	-	1,153,279
Technology	100,000	-	-	-	100,000
Capital projects	-	-	-	2,694,716	2,694,716
Equipment	-	-	-	158,735	158,735
Economic development	-	-	-	73,476	73,476
Crime prevention	-	-	-	61,586	61,586
Park improvements	-	-	-	327,018	327,018
Rental house	42,930	-	-	-	42,930
Unassigned	3,512,553	-	-	(745,663)	2,766,890
<b>Total Fund Balances</b>	<b>6,122,325</b>	<b>4,863,319</b>	<b>202,980</b>	<b>4,105,322</b>	<b>15,293,946</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,571,188</b>	<b>\$ 7,569,068</b>	<b>\$ 431,626</b>	<b>\$ 5,531,688</b>	<b>\$ 20,103,570</b>

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

City of New Prague, Minnesota  
Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
December 31, 2024

Amounts reported for governmental activities in the statement  
of net position are different because

Total Fund Balances - Governmental Funds	\$ 15,293,946
Long-term net pension assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	301,951
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds. Cost of capital assets, net of accumulated depreciation	25,378,301
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of	
Compensated absences payable	(307,651)
Bonds payable	(10,692,749)
Indenture of trust payable (HRA)	(121,000)
Bond premiums, net of amortization	(897,569)
Other post employment benefits	(120,645)
Net pension liability	(1,713,354)
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.	
Delinquent property taxes receivable	24,364
Special assessments receivable	2,906,125
Grants receivable	1,029,401
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources - pension resources	2,020,947
Deferred inflows of resources - pension resources	(2,455,604)
Governmental funds do not report long-term amounts related to other post employment benefits.	
Deferred outflows of other post employment benefit resources	15,400
Deferred inflows of other post employment benefit resources	(32,784)
Governmental funds do not report a liability for accrued interest until due and payable.	(155,405)
Total Net Position - Governmental Activities	<u>\$ 30,473,674</u>

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

City of New Prague, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2024

	General	Debt Service	Capital Project		Other Governmental Funds	Totals
			Formerly Nonmajor Fund CIP 2024	Formerly Major Fund CIP 2023		
Revenues						
Taxes	\$ 3,847,664	\$ 975,287	\$ -	\$ -	\$ 138,275	\$ 4,961,226
Special assessments	8,473	477,398	-	-	502	486,373
Licenses and permits	374,873	-	-	-	-	374,873
Intergovernmental	1,946,549	-	431,470	-	-	2,378,019
Charges for services	105,151	-	-	-	97,410	202,561
Fines and forfeits	17,861	-	-	-	-	17,861
Investment earnings	296,628	158,050	-	-	227,822	682,500
Miscellaneous	28,412	13,127	-	-	595	42,134
Total Revenues	<u>6,625,611</u>	<u>1,623,862</u>	<u>431,470</u>	<u>-</u>	<u>464,604</u>	<u>9,145,547</u>
Expenditures						
Current						
General government	1,270,329	-	-	-	-	1,270,329
Public safety	2,633,358	-	-	-	11,458	2,644,816
Public works	947,535	-	11,116	-	2,024	960,675
Culture and recreation	830,533	-	-	-	25,000	855,533
Economic development	-	109,490	-	-	-	109,490
Miscellaneous	403,933	-	-	-	-	403,933
Capital outlay						
General government	79,467	-	-	-	-	79,467
Public safety	171,876	-	-	-	401,519	573,395
Public works	43,767	-	2,345,957	-	318,285	2,708,009
Culture and recreation	182,959	-	-	-	17,096	200,055
Debt service						
Principal	-	1,016,097	-	-	-	1,016,097
Interest and other	-	350,984	-	-	-	350,984
Bond issuance costs and fees	-	4,369	44,026	-	-	48,395
Total Expenditures	<u>6,563,757</u>	<u>1,480,940</u>	<u>2,401,099</u>	<u>-</u>	<u>775,382</u>	<u>11,221,178</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61,854</u>	<u>142,922</u>	<u>(1,969,629)</u>	<u>-</u>	<u>(310,778)</u>	<u>(2,075,631)</u>
Other Financing Sources (Uses)						
Sale of assets	12,403	-	-	-	-	12,403
Insurance recoveries	396,407	-	-	-	-	396,407
Transfers in	218,430	-	-	-	174,338	392,768
Debt issued	-	-	2,170,000	-	-	2,170,000
Premium on bonds issued	-	-	183,780	-	-	183,780
Transfers out	(58,623)	(157,661)	-	-	(178,430)	(394,714)
Total Other Financing Sources (Uses)	<u>568,617</u>	<u>(157,661)</u>	<u>2,353,780</u>	<u>-</u>	<u>(4,092)</u>	<u>2,760,644</u>
Net Change in Fund Balances	<u>630,471</u>	<u>(14,739)</u>	<u>384,151</u>	<u>-</u>	<u>(314,870)</u>	<u>685,013</u>
Fund Balances, January 1 as Previously Reported	5,491,854	4,878,058	-	258,309	3,980,712	14,608,933
Change within Financial Reporting Entity (Note 9)						
Change from major to nonmajor fund	-	-	-	(258,309)	181,171	(77,138)
Change from nonmajor to major fund	-	-	(181,171)	-	258,309	77,138
Fund balances, January 1 as Adjusted	<u>5,491,854</u>	<u>4,878,058</u>	<u>(181,171)</u>	<u>-</u>	<u>4,420,192</u>	<u>14,608,933</u>
Fund Balances, December 31	<u>\$ 6,122,325</u>	<u>\$ 4,863,319</u>	<u>\$ 202,980</u>	<u>\$ -</u>	<u>\$ 4,105,322</u>	<u>\$ 15,293,946</u>

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



City of New Prague, Minnesota  
Reconciliation of the Statement of  
Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Governmental Funds  
For the Year Ended December 31, 2024

Amounts reported for governmental activities in the statement  
of activities are different because

Net change in fund balances - governmental funds	\$ 685,013
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.	
Capital outlay	3,571,604
Depreciation expense	(1,860,707)
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, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal repayments	1,016,097
Debt issued or incurred	(2,170,000)
Premiums on bonds issued, net of amortization	(96,803)
Long-term pension activity is not reported in governmental funds.	
Pension expense	165,581
Direct aid contributions	43,052
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	(35,180)
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 governmental funds.	
Compensated absences	(104,998)
Other post employment benefits	1,923
Certain revenues are recognized as soon as they are earned. 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	(3,685)
Special assessments	353,999
Grants	(146,761)
Change in Net Position - Governmental Activities	<u>\$ 1,419,135</u>

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

City of New Prague, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 3,839,628	\$ 3,839,628	\$ 3,847,664	\$ 8,036
Special assessments	-	-	8,473	8,473
Licenses and permits	250,255	250,255	374,873	124,618
Intergovernmental	1,804,587	1,804,587	1,946,549	141,962
Charges for services	91,764	91,764	105,151	13,387
Fines and forfeits	20,000	20,000	17,861	(2,139)
Interest earnings	125,000	125,000	296,628	171,628
Miscellaneous	9,500	9,500	28,412	18,912
Total Revenues	<u>6,140,734</u>	<u>6,140,734</u>	<u>6,625,611</u>	<u>484,877</u>
Expenditures				
Current				
General government	1,314,630	1,314,630	1,270,329	44,301
Public safety	2,711,069	2,711,069	2,633,358	77,711
Public works	1,089,795	1,089,795	947,535	142,260
Culture and recreation	743,815	743,815	830,533	(86,718)
Miscellaneous	57,595	57,595	403,933	(346,338)
Capital outlay				
General government	152,000	152,000	79,467	72,533
Public safety	87,000	87,000	171,876	(84,876)
Public works	12,000	12,000	43,767	(31,767)
Culture and recreation	212,000	212,000	182,959	29,041
Total Expenditures	<u>6,379,904</u>	<u>6,379,904</u>	<u>6,563,757</u>	<u>(183,853)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(239,170)</u>	<u>(239,170)</u>	<u>61,854</u>	<u>301,024</u>
Other Financing Sources (Uses)				
Sale of assets	-	-	12,403	12,403
Insurance recoveries	5,000	5,000	396,407	391,407
Transfers in	188,506	188,506	218,430	29,924
Transfers out	(41,946)	(41,946)	(58,623)	(16,677)
Total Other Financing Sources (Uses)	<u>151,560</u>	<u>151,560</u>	<u>568,617</u>	<u>417,057</u>
Net Change in Fund Balances	(87,610)	(87,610)	630,471	718,081
Fund Balances, January 1	<u>5,491,854</u>	<u>5,491,854</u>	<u>5,491,854</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 5,404,244</u>	<u>\$ 5,404,244</u>	<u>\$ 6,122,325</u>	<u>\$ 718,081</u>

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

City of New Prague, Minnesota  
Statement of Net Position  
Proprietary Funds  
December 31, 2024

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities Commission	602	Other Enterprise Funds	Totals
	Water Utility	Electric Utility		Sewer Utility		
<b>Assets</b>						
<b>Current Assets</b>						
Cash and temporary investments						
Undesignated	\$ 3,278,062	\$ 4,930,308	\$ 8,208,370	\$ 7,816,268	\$ 1,937,623	\$ 17,962,261
Designated	-	2,451,001	2,451,001	870,000	-	3,321,001
Receivables						
Accounts, net of allowance	215,610	1,502,140	1,717,750	288,080	35,244	2,041,074
Special assessments - current portion	38,876	705	39,581	21,646	-	61,227
Intergovernmental	3,236	76,681	79,917	9,261	2,177	91,355
Inventories	79,718	1,175,700	1,255,418	-	72,328	1,327,746
Prepaid items	-	1,227	1,227	-	-	1,227
<b>Total Current Assets</b>	<b>3,615,502</b>	<b>10,137,762</b>	<b>13,753,264</b>	<b>9,005,255</b>	<b>2,047,372</b>	<b>24,805,891</b>
<b>Noncurrent Assets</b>						
Special assessments receivable - net of current portion	634,609	-	634,609	376,568	-	1,011,177
<b>Capital assets</b>						
Land	79,520	41,648	121,168	56,980	-	178,148
Construction in progress	51,632	579,472	631,104	100,312	23,875	755,291
Land improvements	-	-	-	-	910,290	910,290
Buildings	5,973,505	9,320,325	15,293,830	27,964,822	1,094,511	44,353,163
Infrastructure	12,516,466	14,416,301	26,932,767	8,571,632	8,777,601	44,282,000
Machinery and equipment	367,306	2,401,553	2,768,859	13,932,438	1,807,088	18,508,385
Less accumulated depreciation	(9,365,070)	(16,567,723)	(25,932,793)	(24,245,847)	(7,085,381)	(57,264,021)
<b>Total Capital Assets</b>	<b>9,623,359</b>	<b>10,191,576</b>	<b>19,814,935</b>	<b>26,380,337</b>	<b>5,527,984</b>	<b>51,723,256</b>
(net of accumulated depreciation)						
<b>Total Noncurrent Assets</b>	<b>10,257,968</b>	<b>10,191,576</b>	<b>20,449,544</b>	<b>26,756,905</b>	<b>5,527,984</b>	<b>52,734,433</b>
<b>Total Assets</b>	<b>13,873,470</b>	<b>20,329,338</b>	<b>34,202,808</b>	<b>35,762,160</b>	<b>7,575,356</b>	<b>77,540,324</b>
<b>Deferred Outflows of Resources</b>						
Deferred other post employment benefit resources	2,308	4,870	7,178	2,723	1,470	11,371
Deferred pension resources	33,130	100,865	133,995	51,169	40,206	225,370
<b>Total Deferred Outflows of Resources</b>	<b>35,438</b>	<b>105,735</b>	<b>141,173</b>	<b>53,892</b>	<b>41,676</b>	<b>236,741</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts and contracts payable	9,138	949,362	958,500	88,623	25,601	1,072,724
Due to other governments	7,275	983	8,258	26,689	3,312	38,259
Accrued interest payable	56,456	-	56,456	332,725	37,326	426,507
Accrued wages payable	12,579	33,358	45,937	12,718	7,403	66,058
Accrued compensated absences payable	31,644	59,637	91,281	24,744	5,239	121,264
Customer deposits payable	25,529	109,043	134,572	48,189	66,592	249,353
Unearned revenue	-	-	-	-	153,093	153,093
Other post employment benefits	1,193	2,517	3,710	1,408	759	5,877
Current portion of bonds payable	323,552	-	323,552	1,474,774	204,206	2,002,532
<b>Total Current Liabilities</b>	<b>467,366</b>	<b>1,154,900</b>	<b>1,622,266</b>	<b>2,009,870</b>	<b>503,531</b>	<b>4,135,667</b>
<b>Noncurrent Liabilities</b>						
Accrued compensated absences payable	39,460	95,841	135,301	38,587	9,984	183,872
Bonds payable - net of current portion	3,898,127	-	3,898,127	24,140,510	2,118,177	30,156,814
Net pension liability	168,984	514,464	683,448	199,362	148,402	1,031,212
Other post employment benefits	16,885	35,626	52,511	19,920	10,753	83,184
<b>Total Noncurrent Liabilities</b>	<b>4,123,456</b>	<b>645,931</b>	<b>4,769,387</b>	<b>24,398,379</b>	<b>2,287,316</b>	<b>31,455,082</b>
<b>Total Liabilities</b>	<b>4,590,822</b>	<b>1,800,831</b>	<b>6,391,653</b>	<b>26,408,249</b>	<b>2,790,847</b>	<b>35,590,749</b>
<b>Deferred Inflows of Resources</b>						
Deferred other post employment benefit resources	4,913	10,366	15,279	5,796	3,128	24,203
Deferred pension resources	112,639	342,924	455,563	147,060	122,699	725,322
<b>Total Deferred Inflows of Resources</b>	<b>117,552</b>	<b>353,290</b>	<b>470,842</b>	<b>152,856</b>	<b>125,827</b>	<b>749,525</b>
<b>Net Position</b>						
Net investment in capital assets	5,401,680	10,191,576	15,593,256	765,053	3,205,601	19,563,910
Unrestricted	3,798,854	8,089,376	11,888,230	8,489,894	1,494,757	21,872,881
<b>Total Net Position</b>	<b>\$ 9,200,534</b>	<b>\$ 18,280,952</b>	<b>\$ 27,481,486</b>	<b>\$ 9,254,947</b>	<b>\$ 4,700,358</b>	<b>\$ 41,436,791</b>

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

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City of New Prague, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Operating Revenues						
Sales	\$ -	\$ -	\$ -	\$ -	\$ 499,714	\$ 499,714
Cost of sales	-	-	-	-	(242,775)	(242,775)
Gross profit	-	-	-	-	256,939	256,939
Charges for services	1,773,289	10,667,220	12,440,509	3,591,797	1,353,571	17,385,877
Miscellaneous	-	-	-	-	20,704	20,704
Total Operating Revenues	1,773,289	10,667,220	12,440,509	3,591,797	1,631,214	17,663,520
Operating Expenses						
Purchases and generation	108,844	7,244,488	7,353,332	-	-	7,353,332
Transmission and distribution	389,838	93,997	483,835	-	-	483,835
Administration and general	406,814	1,629,790	2,036,604	-	-	2,036,604
Salaries and benefits	-	-	-	653,854	790,421	1,444,275
Supplies	-	-	-	322,736	142,230	464,966
Other services and charges	-	-	-	200,912	186,571	387,483
Insurance	-	-	-	56,327	16,904	73,231
Utilities	-	-	-	354,940	89,743	444,683
Depreciation	516,951	750,696	1,267,647	1,609,740	406,747	3,284,134
Total Operating Expenses	1,422,447	9,718,971	11,141,418	3,198,509	1,632,616	15,972,543
Operating Income (Loss)	350,842	948,249	1,299,091	393,288	(1,402)	1,690,977
Nonoperating Revenues (Expenses)						
Intergovernmental	37,523	23,433	60,956	28,879	95,083	184,918
Investment income	120,226	222,950	343,176	351,020	80,187	774,383
Miscellaneous income	12,940	101,263	114,203	297	-	114,500
Water meter sales	5,820	-	5,820	-	-	5,820
Refunds and reimbursements	-	-	-	226	-	226
Gain (loss) on disposal of capital assets	-	8,015	8,015	-	142,237	150,252
Bond issuance expense	(16,687)	-	(16,687)	(14,988)	(12,400)	(44,075)
Interest expense	(125,956)	(8,988)	(134,944)	(922,192)	(81,871)	(1,139,007)
Amortization of bond premium	34,425	-	34,425	23,372	23,052	80,849
Total Nonoperating Revenues (Expenses)	68,291	346,673	414,964	(533,386)	246,288	127,866
Income (Loss) Before Contributions and Transfers	419,133	1,294,922	1,714,055	(140,098)	244,886	1,818,843
Capital Contributions						
Hookup charges	46,566	-	46,566	131,289	-	177,855
Special assessments	308,200	-	308,200	196,710	-	504,910
Other entities	-	175,793	175,793	-	-	175,793
Total Capital Contributions	354,766	175,793	530,559	327,999	-	858,558
Transfers In	-	-	-	-	41,946	41,946
Transfers Out	-	(40,000)	(40,000)	-	-	(40,000)
Total Transfers	-	(40,000)	(40,000)	-	41,946	1,946
Change in Net Position	773,899	1,430,715	2,204,614	187,901	286,832	2,679,347
Net Position, January 1	8,426,635	16,850,237	25,276,872	9,067,046	4,413,526	38,757,444
Net Position, December 31	\$ 9,200,534	\$ 18,280,952	\$ 27,481,486	\$ 9,254,947	\$ 4,700,358	\$ 41,436,791

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

City of New Prague, Minnesota  
Statement of Cash Flows (Continued on the Following Pages)  
Proprietary Funds  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,772,877	\$ 10,721,928	\$ 12,494,805	\$ 3,581,550	\$ 1,892,787	\$ 17,969,142
Payments to suppliers and vendors	(421,517)	(7,817,567)	(8,239,084)	(946,728)	(745,344)	(9,931,156)
Payments to and on behalf of employees	(563,737)	(1,376,864)	(1,940,601)	(649,501)	(795,568)	(3,385,670)
Other receipts	12,940	101,263	114,203	523	22,401	137,127
Net Cash Provided (Used) by Operating Activities	800,563	1,628,760	2,429,323	1,985,844	374,276	4,789,443
Cash Flows from Noncapital Financing Activities						
Grants received	37,523	23,433	60,956	28,879	95,083	184,918
Transfers from other funds	-	-	-	-	41,946	41,946
Transfers to other funds	-	(40,000)	(40,000)	-	-	(40,000)
Net Cash Provided (Used) by Noncapital Financing Activities	37,523	(16,567)	20,956	28,879	137,029	186,864
Cash Flows from Capital Financing Activities						
Special assessment receipts	113,930	-	113,930	57,016	-	170,946
Capital contributions from other entities	-	175,793	175,793	-	-	175,793
Proceeds from bonds issued, net of discount/premiums	888,331	-	888,331	801,900	663,472	2,353,703
Acquisition and construction of capital assets	(963,185)	(623,475)	(1,586,660)	(742,647)	(706,816)	(3,036,123)
Proceeds from the disposal of capital assets	-	8,015	8,015	-	-	8,015
Principal paid on bonds	(290,980)	-	(290,980)	(1,418,577)	(174,348)	(1,883,905)
Interest paid on bonds and notes	(114,629)	(8,988)	(123,617)	(927,328)	(77,968)	(1,128,913)
Issuance costs paid on bonds	(16,687)	-	(16,687)	(14,988)	(12,400)	(44,075)
Hookup charges	45,914	-	45,914	131,289	-	177,203
Net Cash Provided (Used) by Capital Financing Activities	(337,306)	(448,655)	(785,961)	(2,113,335)	(308,060)	(3,207,356)
Cash Flows From Investing Activities						
Interest received	120,226	222,950	343,176	351,020	80,187	774,383
Net Increase (Decrease) in Cash and Cash Equivalents	621,006	1,386,488	2,007,494	252,408	283,432	2,543,334
Cash and Cash Equivalents, January 1,	2,657,056	5,994,821	8,651,877	8,433,860	1,654,191	18,739,928
Cash and Cash Equivalents, December 31,	<u>\$ 3,278,062</u>	<u>\$ 7,381,309</u>	<u>\$ 10,659,371</u>	<u>\$ 8,686,268</u>	<u>\$ 1,937,623</u>	<u>\$ 21,283,262</u>
Cash and Cash Equivalents						
Undesignated	\$ 3,278,062	\$ 4,930,308	\$ 8,208,370	\$ 7,816,268	\$ 1,937,623	\$ 17,962,261
Designated	-	2,451,001	2,451,001	870,000	-	3,321,001
Total Cash and Cash Equivalents	<u>\$ 3,278,062</u>	<u>\$ 7,381,309</u>	<u>\$ 10,659,371</u>	<u>\$ 8,686,268</u>	<u>\$ 1,937,623</u>	<u>\$ 21,283,262</u>

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

City of New Prague, Minnesota  
Statements of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities Commission	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility		Sewer Utility		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 350,842	\$ 948,249	\$ 1,299,091	\$ 393,288	\$ (1,402)	\$ 1,690,977
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Other income related to operations	18,760	101,263	120,023	523	-	120,546
Depreciation	516,951	750,696	1,267,647	1,609,740	406,747	3,284,134
(Increase) decrease in assets						
Accounts receivable	(7,313)	52,755	45,442	(11,947)	5,676	39,171
Intergovernmental	1,081	1,953	3,034	1,700	212	4,946
Inventories	(30,052)	(48,987)	(79,039)	-	(14,440)	(93,479)
Prepaid items	-	1,017	1,017	-	-	1,017
(Increase) decrease in deferred outflows of resources						
Deferred other post employment benefit resources	1,564	668	2,232	1,166	27	3,425
Deferred pension resources	42,249	84,929	127,178	50,034	45,683	222,895
Increase (decrease) in liabilities						
Accounts and contracts payable	3,613	(187,696)	(184,083)	(695)	(52,881)	(237,659)
Due to other governments	60	983	1,043	3,730	200	4,973
Accrued wages payable	3,880	11,927	15,807	(26)	1,417	17,198
Accrued compensated absences payable	17,690	33,093	50,783	33,365	12,418	96,566
Customer deposits payable	(7,246)	(29,999)	(37,245)	(14,848)	881	(51,212)
Unearned revenue	-	-	-	-	34,430	34,430
Other post employment benefits payable	(1,342)	10,363	9,021	1,822	4,003	14,846
Net pension liability	(124,753)	(209,523)	(334,276)	(124,106)	(116,021)	(574,403)
Increase (decrease) in deferred inflows of resources						
Deferred other post employment benefit resources	(2,416)	(118)	(2,534)	(1,565)	294	(3,805)
Deferred pension resources	16,995	107,187	124,182	43,663	47,032	214,877
Net Cash Provided (Used) by Operating Activities	<u>\$ 800,563</u>	<u>\$ 1,628,760</u>	<u>\$ 2,429,323</u>	<u>\$ 1,985,844</u>	<u>\$ 374,276</u>	<u>\$ 4,789,443</u>
Noncash Investing, Capital and Financing Activities						
Amortization of bond (premium) discount	\$ (34,425)	\$ -	\$ (34,425)	\$ (23,372)	\$ (23,052)	\$ (80,849)
Bond premium issued	\$ 68,331	\$ -	\$ 68,331	\$ 61,900	\$ 36,443	\$ 166,674
Trade in allowance on capital asset trade	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 175,000
Book value of disposed/traded of capital assets	\$ -	\$ -	\$ -	\$ -	\$ (32,763)	\$ (32,763)
Capital assets acquired on account	\$ -	\$ 24,519	\$ 24,519	\$ 57,231	\$ -	\$ 81,750

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

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City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

The City of New Prague (the City) operates under a home rule charter form of government. The City is governed by an elected Mayor and a four-member Council. The Council exercises legislative authority and determines all matters of policy. The Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:

**City of New Prague Utilities Commission (PUC).** The Commission's governing board is appointed by the City Council. Bond issuance authorizations also are approved by the City and the legal liability for the general obligation portion of the Commission's debt remains with the City. The PUC is not considered a component unit and its Water Utility and Electric Utility funds are reported as enterprise funds of the City.

**City of New Prague Housing and Redevelopment Authority (HRA).** The HRA was created by the City to carry out housing and redevelopment projects. The governing board is appointed by the City Council, the Council reviews and approves HRA tax levies and the City provides major community development financing for HRA activities. Debt issued for HRA activities are general obligations of the City. The HRA is a blended component unit reported as a Debt Service fund of the City.

**City of New Prague Economic Development Authority (EDA).** The EDA was created by the City to carry out economic development projects. Two of the seven-member board of commissioners are a City Council member and the Mayor while all other members are appointed by the Council. The EDA's governing body does not have substantively the same board as the City, has no outstanding debt issued through the City, and does not provide services entirely to the City. Therefore, the EDA is a discretely presented component unit presented as a governmental activities.

Excluded from the reporting entity:

**New Prague Fire Department Relief Association.** The association is organized as a non-profit organization by its members to provide pension and other benefits to members in accordance with Minnesota statutes. The Board of Directors is appointed by the membership of the Association. All funding is conducted in accordance with Minnesota statutes, whereby state aids flow to the association, tax levies are determined by the Association and are only reviewed by the City and the Association pays benefits directly to its members.

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services, and interest on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

The City reports the following major governmental funds:

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

The *Debt Service* fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *CIP 2024 fund* is used to account for the expenditures related to the completion of 2024 CIP projects.

The City reports the following major proprietary funds:

The *Water Utility enterprise fund* accounts for costs associated with the City's water system and to ensure that user charges are sufficient to pay for those costs.

The *Sewer Utility enterprise fund* accounts for the costs associated with the City's sewer system and to ensure that user charges are sufficient to pay for those costs.

The *Electric Utility enterprise fund* accounts for the costs associated with the City's electric utility system and to ensure that user charges are sufficient to pay for those costs.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payment in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance**

***Deposits and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

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

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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. The City's recurring fair value measurements are listed in detail on page 53 and are valued using quoted market prices (Level 1 inputs).

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Investment Policy***

The City's investment policy incorporates Minnesota statutes as described above which reduces the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list above.
- *Custodial Credit Risk.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City limits investments in any one institution, other than the U.S. Government or its agencies, to not more than \$2,000,000 or 30 percent of the total portfolio. The City has no concentrations greater than their own requirements in any one issuer.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City requires at least 5 percent of the City's investment portfolio to be available on a daily basis without loss of principal. Also, no more than 30 percent of the portfolio should have maturities exceeding 3 years.

***Property Taxes***

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

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

***Accounts Receivable***

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2024. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts at December 31, 2024 was \$10,000 in the Electric Utility enterprise fund and \$4,000 the Water Utility enterprise fund.

***Special Assessments***

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are annually certified to the County or received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Interfund Receivables and Payables***

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

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

***Inventories***

Inventories of the proprietary funds are stated at the lower of cost or market with cost determined on a first-in, first-out basis.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Interfund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from that fund that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund as reductions of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement are reported as transfers. Transfers were made when necessary to close various capital projects in accordance with the resolutions.

***Land Held for Resale***

Land is acquired by the City for subsequent resale for development purposes. Land held for resale is reported as an asset at lower of cost or market value in the fund that acquired it.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City and Commission as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the historical costs have been accumulated beginning with the year-ended December 31, 1981. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the actual cost of the infrastructure to be capitalized by using available records). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated assets with an individual cost greater than \$5,000 and a useful life of greater than one year are recognized as capital assets.

Major outlays for capital assets and improvement are capitalized as projects are constructed.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	15 - 20
Buildings and Improvements	7 - 40
Water and Sewer System	50
Furniture, Machinery and Equipment	5 - 15

***Deferred Outflows of Resources***

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other post-employment benefit resources (OPEB) resources, are reported only in the statement of net position. The deferred pension resources result from actuarial calculations and current year pension contributions made subsequent to the measurement date. The deferred OPEB resources are current year OPEB contributions made subsequent to the measurement date.

***Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. All vacation pay is 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 a result of employee resignations and retirements. Compensated absences liability at year end is shown in the chart below for governmental and business-type activities:

	Governmental activities	Business-type activities	Total
Compensated absences	\$ 307,651	\$ 305,136	\$ 612,787

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Other Postemployment Benefits***

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 75, at January 1, 2023. The General fund is typically used to liquidate governmental other postemployment benefits payable.

***Long-term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

***Pensions***

For purposes of measuring the net pension 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 except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP), Police and Fire Plan (PEPFP), DCP and the New Prague Fire Relief Association is as follows:

	GERP	PEPFP	PEDCP	FRA	Total
City's proportionate share	\$161,538	\$178,682	\$1,035	\$34,046	\$375,302
Proportionate share of State's contribution	(876)	3,693	-	-	2,817
Total pension expense	<u>\$160,662</u>	<u>\$182,375</u>	<u>\$1,035</u>	<u>\$34,046</u>	<u>\$378,119</u>



City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Deferred Inflows of Resources***

In addition to liabilities, the statements of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, special assessments, grants and lease receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

***Fund Balance***

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

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

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

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

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

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds. The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 50 percent of budgeted operating expenditures for cash-flow timing needs.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

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

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

**Note 2: Stewardship, Compliance and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and the Development Revolving Loan and Crime Prevention special revenue funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The City Council may authorize transfer of budgeted amounts between departments within any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General and special revenue funds. Budgetary control is maintained at the object of expenditure category level within each activity and in compliance with City Charter requirements. Also, inherent in this controlling function is the management philosophy that the existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. The budget process has flexibility in that, where need has been properly demonstrated, an adjustment can be made within the department budget by the City Administrator, or between departments by the City Council. Therefore, there is a constant review process and expenditures are not approved until it has been determined that: (1) adequate funds are appropriated; (2) the expenditure is still necessary; (3) funds are available.
6. Budgeted amounts are as originally adopted, or as amended by the Council. There were budget amendments made during the year.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 2: Stewardship, Compliance and Accountability (Continued)**

**B. Excess of Expenditures over Appropriations**

For the year ended December 31, 2024, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 6,379,904	\$ 6,563,757	\$ 183,853

These excess expenditures were funded by revenues in excess of budget.

**C. Deficit Fund Balance**

The following funds had fund balance deficits at December 31, 2024:

Fund	Amount
T.H. 19 Project	\$ 236,879
CIP 2025	107,265
Police Station	401,519

The above deficits will be eliminated through future revenues, including long-term debt financing and other revenue sources.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds**

**A. Deposits and Investments**

***Deposits***

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

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

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

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

At year end, the City's carrying amount of deposits was \$9,307,238, including \$677,004 reported in the component unit. The bank balance was \$9,673,458. Of the bank balance, \$9,237,047 was covered by federal depository insurance and the remaining was collateralized with securities held by the pledging of financial institution's trust department in the City's name.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

**Investments**

As of December 31, 2024, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using Level 1
Pooled Investments at Amortized Cost				
Broker Money Market Funds	N/A	less than 1 year	\$ 24,289,162	
Non-pooled Investments at Amortized Cost				
Money Market Funds	N/A	1 to 5 years	2,936	
Non-pooled Investments at Fair Value				
Government Agency Securities	AAA	less than 1 year	63,888	\$ 63,888
Government Agency Securities	AAA	1 to 5 years	869,592	869,592
Government Agency Securities	AAA	more than 5 years	732,677	732,677
Municipal Securities	A1	1 to 5 years	96,429	96,429
Municipal Securities	AA1	1 to 5 years	325,546	325,546
Municipal Securities	AA2	less than 1 year	99,720	99,720
Municipal Securities	AA2	1 to 5 years	227,088	227,088
Municipal Securities	AA2	more than 5 years	98,179	98,179
Municipal Securities	AA3	1 to 5 years	181,359	181,359
Municipal Securities	AAA	1 to 5 years	100,903	100,903
Municipal Securities	AAA	more than 5 years	98,370	98,370
Municipal Securities	N/A	1 to 5 years	392,692	392,692
Municipal Securities	N/A	more than 5 years	65,980	65,980
U.S Treasury Notes	AAA	less than 1 year	16,966	16,966
U.S Treasury Notes	AAA	1 to 5 years	39,037	39,037
U.S Treasury Notes	AAA	more than 5 years	13,421	13,421
Total Investments			<u>\$ 27,713,945</u>	<u>\$ 3,421,847</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

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

N/A Indicates not applicable or available

There were no investments measured at Level 2 or Level 3.

A reconciliation of cash and investments as shown on the statement of net position for the City follows:

	Primary Government	Component Unit - EDA	Total
Deposits	\$ 8,630,234	\$ 677,004	\$ 9,307,238
Investments	27,713,945	-	27,713,945
Cash on Hand	2,600	-	2,600
Total Cash and Temporary Investments	<u>\$ 36,346,779</u>	<u>\$ 677,004</u>	<u>\$ 37,023,783</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

***Designated Cash and Investments***

During 1991, the Commission designated cash and investments of \$1,400,000 for future capital projects. Each year the Commission intends to increase the accumulated reserve account by 3 percent. Designated investments as of December 31, 2024 are shown in the charts below. The 3 percent increase will only occur when there are sufficient funds in undesignated cash.

The Commission has also designated the Electric enterprise fund cash and investments for the following:

Electric Fund Designated Cash	
Future Capital Improvements	<u>\$ 2,451,001</u>

The City has also designated the Sewer Utility enterprise fund cash and investments for the following:

Sewer Utility Fund Designated Cash	
Membrane Cartage Replacement	<u>\$ 870,000</u>

**B. Notes Receivable**

***Primary Government***

Notes receivable at December 31, 2024 consist of:

***Primary Government***

4.0 to 4.25 percent note receivable from the Rural Fire Department, payable in semiannual installments that are based on the City's 2007C CIP Plan Bonds through June 12, 2022. Annual obligations under this schedule vary between \$135,000 and \$147,000 per year.	\$ 466,667
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The City has made various economic development loans to businesses. These loans are receivable over 10 year period with interest at 2 percent.	27,173
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The City issued loans under the Small Cities Development Program Grant through the Minnesota Department of Trade and Economic Development, these loans are made eligible business owners. These loans will be forgiven after five years as long as the owners remain in compliance with the loan terms.	
Loan receivable balance	36,400
Allowance	<u>(36,400)</u>
Total Notes Receivable	<u>\$ 493,840</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

**C. Capital Assets**

**Primary Government**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 2,013,415	\$ 46,944	\$ -	\$ 2,060,359
Construction in progress	3,277,028	3,169,145	(1,253,971)	5,192,202
Total Capital Assets not Being Depreciated	<u>5,290,443</u>	<u>3,216,089</u>	<u>(1,253,971)</u>	<u>7,252,561</u>
Capital Assets Being Depreciated				
Infrastructure	34,244,092	33,253	-	34,277,345
Land improvements	1,391,529	33,791	-	1,425,320
Buildings and improvements	6,811,541	1,253,971	-	8,065,512
Furniture and equipment	5,740,536	288,471	(62,067)	5,966,940
Total Capital Assets Being Depreciated	<u>48,187,698</u>	<u>1,609,486</u>	<u>(62,067)</u>	<u>49,735,117</u>
Less Accumulated Depreciation for				
Infrastructure	(21,785,044)	(1,243,767)	-	(23,028,811)
Land improvements	(722,342)	(57,362)	-	(779,704)
Buildings and improvements	(3,556,078)	(146,562)	-	(3,702,640)
Furniture and equipment	(3,747,273)	(413,016)	62,067	(4,098,222)
Total Accumulated Depreciation	<u>(29,810,737)</u>	<u>(1,860,707)</u>	<u>62,067</u>	<u>(31,609,377)</u>
Total Capital Assets Being Depreciated, Net	<u>18,376,961</u>	<u>(251,221)</u>	<u>-</u>	<u>18,125,740</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,667,404</u>	<u>\$ 2,964,868</u>	<u>\$ (1,253,971)</u>	<u>\$ 25,378,301</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 178,148	\$ -	\$ -	\$ 178,148
Construction in progress	380,686	2,790,974	(2,416,369)	755,291
Total Capital Assets not Being Depreciated	<u>558,834</u>	<u>2,790,974</u>	<u>(2,416,369)</u>	<u>933,439</u>
Capital Assets Being Depreciated				
Land improvements	910,290	-	-	910,290
Building and improvements	44,326,867	26,296	-	44,353,163
Infrastructure	41,879,060	2,402,940	-	44,282,000
Furniture and equipment	18,185,711	489,032	(166,358)	18,508,385
Total Capital Assets Being Depreciated	<u>105,301,928</u>	<u>2,918,268</u>	<u>(166,358)</u>	<u>108,053,838</u>
Less Accumulated Depreciation for				
Land improvements	(903,470)	(1,563)	-	(905,033)
Building and improvements	(23,334,125)	(951,011)	-	(24,285,136)
Infrastructure	(18,725,527)	(1,319,431)	-	(20,044,958)
Furniture and equipment	(11,150,360)	(1,012,129)	133,595	(12,028,894)
Total Accumulated Depreciation	<u>(54,113,482)</u>	<u>(3,284,134)</u>	<u>133,595</u>	<u>(57,264,021)</u>
Total Capital Assets Being Depreciated, Net	<u>51,188,446</u>	<u>(365,866)</u>	<u>(32,763)</u>	<u>50,789,817</u>
Business-type Activities Capital Assets, Net	<u>\$ 51,747,280</u>	<u>\$ 2,425,108</u>	<u>\$ (2,449,132)</u>	<u>\$ 51,723,256</u>

Depreciation expense was charged to functions/programs of the City as follows:

**Governmental Activities**

General government	\$ 97,452
Public safety	224,286
Public works	1,362,942
Culture and recreation	<u>176,027</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,860,707</u>

**Business-type Activities**

Water utility	\$ 516,951
Sewer utility	1,609,740
Storm utility	271,196
Electric utility	750,696
Golf	<u>135,551</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 3,284,134</u>



City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

***Discretely Presented Component Units***

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 667,880	\$ -	\$ (667,880)	\$ -
Capital Assets Being Depreciated				
Infrastructure	88,676	667,880	-	756,556
Less Accumulated Depreciation for Infrastructure	(12,539)	(1,773)	-	(14,312)
Total capital assets being depreciated, net	76,137	666,107	-	742,244
Business-type Activities Capital Assets, Net	<u>\$ 744,017</u>	<u>\$ 666,107</u>	<u>\$ (667,880)</u>	<u>\$ 742,244</u>

Depreciation expense was charged to functions/programs of the EDA as follows:

<b>Business-type Activities</b>	
Economic Development	<u>\$ 1,773</u>

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund transfers for the year ended December 31, 2024 is as follows:

Funds	Transfer In			Total
	General	Nonmajor Governmental	Nonmajor Enterprise	
Transfer Out				
General	\$ -	\$ 16,677	\$ 41,946	\$ 58,623
Debt Service	-	157,661	-	157,661
Nonmajor				
Governmental	178,430	-	-	178,430
Enterprise				
Electric Utility	40,000	-	-	40,000
Total Transfers Out	<u>\$ 218,430</u>	<u>\$ 174,338</u>	<u>\$ 41,946</u>	<u>\$ 434,714</u>

During the year, transfers are used to 1) move revenues from the enterprise funds to the governmental funds to help reduce the tax levy and 2) move General fund resources to provide an annual subsidy to other funds.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

In addition, the following one-time transfers occurred:

- Transfer from the Nonmajor Governmental fund to the General fund to close the American Rescue Aid fund as all remaining grant dollars were expended in the current year.
- Transfer from the General fund to the Nonmajor Governmental fund to close an inactive fund.
- Transfer from the Debt Service fund to the Nonmajor Governmental fund to close an inactive debt service fund.

**E. Long-term Debt**

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund special assessments related bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These obligations are being funded through ad valorem tax levies. General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Refunding Bonds of 2013B	\$ 4,185,000	2.00 - 2.55 %	08/21/13	12/01/28	<u>\$ 1,400,000</u>

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

Year Ending December 31,	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2025	\$ 340,000	\$ 32,780	\$ 372,780
2026	345,000	25,470	370,470
2027	350,000	17,708	367,708
2028	365,000	9,307	374,307
Total	<u>\$ 1,400,000</u>	<u>\$ 85,265</u>	<u>\$ 1,485,265</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

G.O. Special Assessment (Improvement) Bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partly financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2009	\$ 521,227	3.00 - 4.20 %	08/01/09	02/01/25	\$ 37,474
G.O. Improvement Bonds of 2011	746,331	2.00 - 3.63	07/01/11	02/01/27	17,513
G.O. Improvement Bonds of 2014A	1,270,000	2.00 - 3.00	10/17/14	02/01/30	520,000
G.O. Improvement Bonds of 2015A	755,000	0.75 - 3.00	07/07/15	02/01/31	210,000
G.O. Improvement Bonds of 2019A	2,310,000	3.00 - 5.00	08/15/19	02/01/35	1,595,000
G.O. Refunding Bonds of 2020A	1,016,597	5.00	11/24/20	02/01/29	592,762
G.O. Refunding Bond 2021A	2,005,000	5.00	09/02/21	09/02/37	1,785,000
G.O. Refunding Bond 2022A	260,000	3.00 - 5.00	07/07/22	02/01/23	230,000
G.O. Improvement Bonds of 2023A	2,135,000	4.00 - 5.00	06/29/23	02/01/39	2,135,000
G.O. Improvement Bonds of 2024A	2,170,000	4.00-5.00	02/01/26	02/01/40	2,170,000
Total G.O. Special Assessment Bonds					<u>\$ 9,292,749</u>

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

Year Ending December 31,	G.O. Special Assessment Bonds Governmental Activities		
	Principal	Interest	Total
2025	\$ 805,467	\$ 376,515	\$ 1,181,982
2026	897,023	320,407	1,217,430
2027	752,690	280,950	1,033,640
2028	766,189	245,066	1,011,255
2029	751,380	210,802	962,182
2030 - 2034	3,010,000	677,491	3,687,491
2035 - 2039	2,145,000	223,630	2,368,630
2040	165,000	3,300	168,300
Total	<u>\$ 9,292,749</u>	<u>\$ 2,338,161</u>	<u>\$ 11,630,910</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

G.O. Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of the enterprise funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Sewer Revenue					
Bonds of 2008 (PFA)	\$ 32,280,687	3.13 %	11/20/08	08/24/38	\$ 22,202,000
G.O. Improvement Bonds of 2009	243,773	2.40 - 4.50	08/01/08	12/01/23	17,524
G.O. Improvement Bonds of 2011	488,669	2.00 - 3.625	07/01/11	02/01/27	112,487
G.O. Refunding Bonds of 2013B	680,000	2.00 - 2.55	08/21/13	12/01/28	80,000
G.O. Improvement Bonds of 2014A	430,000	2.00 - 3.00	10/17/14	02/01/30	205,000
G.O. Improvement Bonds of 2015A	245,000	0.75 - 3.00	07/07/15	02/01/31	125,000
G.O. Improvement Bonds of 2016A	160,000	2.05	10/20/16	02/01/27	52,000
G.O. Improvement Bonds of 2019A	520,000	3.00 - 5.00	08/15/19	02/01/35	425,000
G.O. Refunding Bonds of 2020A	1,228,403	5.00	11/24/20	02/01/29	682,238
G.O. Refunding Bonds of 2021A	3,460,000	5.00	09/02/21	09/02/37	3,135,000
G.O. Refunding Bonds of 2022A	625,000	3.00 - 5.00	07/07/22	02/01/28	575,000
G.O. Refunding Bonds of 2023A	1,310,000	4.00 - 5.00	06/29/23	02/01/39	1,310,000
G.O. Refunding Bonds of 2024A	2,000,000	4.00 - 5.00	06/06/24	02/01/40	2,000,000
Total G.O. Revenue Bonds					<u>\$ 30,921,249</u>

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

Year Ending December 31,	G.O. Revenue Bonds Business-type Activities		
	Principal	Interest	Total
2025	\$ 1,943,532	\$ 1,125,135	\$ 3,068,667
2026	2,075,977	1,033,328	3,109,305
2027	2,039,310	952,816	2,992,126
2028	2,060,810	871,984	2,932,794
2029	2,084,620	791,040	2,875,660
2030 - 2034	10,927,000	2,805,809	13,732,809
2035 - 2039	9,610,000	878,615	10,488,615
2040	180,000	3,600	183,600
Total	<u>\$ 30,921,249</u>	<u>\$ 8,462,327</u>	<u>\$ 39,383,576</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of these funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Golf Club Revenue Bonds Series 2015	\$ 85,000	0.75 - 2.50 %	07/07/15	02/01/25	\$ 10,000
Golf Club Revenue Bonds Series 2016A	74,000	2.05	10/20/16	02/01/26	18,000
Golf Club Revenue Refunding Bonds Series 2022A	210,000	3.00 - 5.00	07/07/22	02/01/28	170,000
Golf Club Revenue Refunding Bonds Series 2024A	175,000	5.00	06/06/24	02/01/30	175,000
Total Revenue Bonds					<u>\$ 373,000</u>

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

Year Ending December 31,	Revenue Bonds		
	Business-type Activities		
	Principal	Interest	Total
2025	\$ 59,000	\$ 17,989	\$ 76,989
2026	49,000	13,592	62,592
2027	75,000	9,750	84,750
2028	80,000	5,750	85,750
2029	35,000	2,875	37,875
2030	75,000	1,000	76,000
Total	<u>\$ 373,000</u>	<u>\$ 50,956</u>	<u>\$ 423,956</u>

Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments for the year ended December 31, 2024 are as follows:

	Water	Sewer	Storm Sewer	Golf
Revenues	\$ 2,304,564	\$ 4,300,218	\$ 470,004	\$ 1,219,701
Principal and Interest	405,609	2,345,905	177,918	74,398
Percentage of Revenues	17.6%	54.6%	37.9%	6.1%

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

Indenture of Trust Payable (HRA)

The City's Housing and Redevelopment Authority (HRA) has participated in the financing of Phillip Square Apartment Project along with Scott County CDA. As part of the joint powers agreement in Section 2.2, the City HRA had pledged an annual payment of \$70,176 to the Phillip Square project commencing July 1, 2003 through January 1, 2036 to assist in the payment of the bonds issued by Scott County for the project. In 2020, \$593,232 of these bonds were refinanced and annual payments are now \$11,000.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Scott County CDA Indenture of Trust	\$ 165,000	- %	10/21/20	12/01/35	<u>\$ 121,000</u>

The annual debt service requirements to maturity for indenture of trust payable (HRA) are as follows:

Year Ending December 31,	Indenture of Trust Governmental Activities		
	Principal	Interest	Total
2025	\$ 11,000	\$ -	\$ 11,000
2026	11,000	-	11,000
2027	11,000	-	11,000
2028	11,000	-	11,000
2029	11,000	-	11,000
2030 - 2034	55,000	-	55,000
2035	11,000	-	11,000
Total	<u>\$ 121,000</u>	<u>\$ -</u>	<u>\$ 121,000</u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 3: Detailed Notes on All Funds (Continued)**

Changes in Long-term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
General obligation bonds	\$ 1,730,000	\$ -	\$ (330,000)	\$ 1,400,000	\$ 340,000
General obligation special assessment bonds	7,797,846	2,170,000	(675,097)	9,292,749	805,467
Bond premiums	800,766	183,780	(86,977)	897,569	-
Total Bonds Payable	10,328,612	2,353,780	(1,092,074)	11,590,318	1,145,467
Indenture of Trust	132,000	-	(11,000)	121,000	11,000
Compensated Absences*	202,653	104,998	-	307,651	190,098
Governmental Activities Long-term Liabilities	<u>\$ 10,663,265</u>	<u>\$ 2,458,778</u>	<u>\$ (1,103,074)</u>	<u>\$ 12,018,969</u>	<u>\$ 1,346,565</u>
<b>Business-type Activities</b>					
Bonds Payable					
General obligation revenue bonds	\$ 30,741,154	\$ 2,000,000	\$ (1,819,905)	\$ 30,921,249	\$ 1,943,532
Revenue bonds	262,000	175,000	(64,000)	373,000	59,000
Bond premiums	767,243	178,703	(80,849)	865,097	-
Total Bonds Payable	31,770,397	2,353,703	(1,964,754)	32,159,346	2,002,532
Compensated Absences*	216,971	88,165	-	305,136	121,264
Business-type Activities Long-term Liabilities	<u>\$ 31,987,368</u>	<u>\$ 2,441,868</u>	<u>\$ (1,964,754)</u>	<u>\$ 32,464,482</u>	<u>\$ 2,123,796</u>

\*The City is presenting the change in compensated absences as a net increase.

**E. Segment Information for Enterprise Funds**

The City maintains six enterprise funds which provide services to City residents. Segment information for the three nonmajor funds for the year ended December 31, 2024 is as follows:

	Ambulance	Golf	Storm Water Utility	Total
Operating Revenues	\$ 20,193	\$ 1,199,779	\$ 411,242	\$ 1,631,214
Depreciation Expense	-	135,551	271,196	406,747
Operating Income (Loss)	6,209	(34,496)	26,885	(1,402)
Income (Loss) Before Transfers and Contributions	13,096	119,361	112,429	244,886
Transfers in (Out)	-	41,946	-	41,946
Capital Asset Additions	-	187,867	518,949	706,816
Total Assets	201,740	1,510,074	5,863,542	7,575,356
Net Working Capital	199,490	191,950	1,152,401	1,543,841
Noncurrent Liabilities	-	477,039	1,810,277	2,287,316
Total Net Position	199,490	639,681	3,861,187	4,700,358

## **Note 4: Defined Benefit Pension Plans - Statewide**

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

#### General Employees Retirement Plan (General Plan)

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

#### Public Employees Police and Fire Plan (Police and Fire Plan)

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

### **B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

#### General Employee Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.



#### **Note 4: 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 1.5 percent. The 2024 annual increase was 1.5 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 prorated increase.

##### Police and Fire Plan Benefits

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

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.

#### **C. Contributions**

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

##### General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022, were \$306,174, \$296,153 and \$271,681, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

##### Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2024, 2023 and, 2022 were \$196,692, \$177,395 and \$170,146, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of New Prague, Minnesota  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,765,010 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 \$45,640.

City's Proportionate Share of the Net Pension Liability	\$ 1,765,010
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>45,640</u>
Total	<u><u>\$ 1,810,650</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0477 percent at the end of the measurement period and 0.0496 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$161,538 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional negative \$876 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$81,138 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 167,345	\$ -
Changes in Actuarial Assumptions	8,340	687,006
Net Difference Between Projected and Actual Investment Earnings	-	511,719
Changes in Proportion	83,262	67,874
Contributions Paid to PERA Subsequent to the Measurement Date	<u>154,756</u>	<u>-</u>
Total	<u><u>\$ 413,703</u></u>	<u><u>\$ 1,266,599</u></u>

City of New Prague, Minnesota  
Notes to the Financial Statements  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

The \$154,756 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (509,970)
2026	(143,899)
2027	(218,506)
2028	(135,277)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$997,701 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0758 percent at the end of the measurement period and 0.0777 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 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 \$38,032.

City's Proportionate Share of the Net Pension Liability	\$ 997,701
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>38,032</u>
Total	<u><u>\$ 1,035,733</u></u>

For the year ended December 31, 2024, the City recognized pension expense of \$178,682 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$3,693 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's 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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$6,825 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of New Prague, Minnesota  
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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 390,803	\$ -
Changes in Actuarial Assumptions	1,075,456	1,505,109
Net Difference Between Projected and Actual Investment Earnings	-	314,629
Changes in Proportion	66,449	25,857
Contributions Paid to PERA Subsequent to the Measurement Date	101,843	-
	<u>\$ 1,634,551</u>	<u>\$ 1,845,595</u>
Total		

The \$101,843 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (35,516)
2026	249,991
2027	(149,368)
2028	(400,985)
2029	22,991

**E. Long-term Expected Return on Investment**

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

Asset Class	Target Allocation	Long-term Expected Return on Investment
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	<u>100.0 %</u>	

## Note 4: Defined Benefit Pension Plans - Statewide (Continued)

### F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

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

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

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

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

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

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

#### General Employees Fund

##### Changes in Actuarial Assumptions

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

##### Changes in Plan Provisions

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

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**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

Police and Fire Fund

Changes in Plan Provisions

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

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0 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 position of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Pension Liability Sensitivity**

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

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 3,855,067	\$ 1,765,010	\$ 45,748
Police and Fire Fund	2,357,762	997,701	(119,194)

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

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**Note 5: Public Employees Defined Contribution Plan**

Five council members of the City are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1.0 percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during the fiscal year 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,035	\$ 1,035	5.00%	5.00%	5.00%

**Note 6: Defined Benefit Pension Plans - Fire Relief Association**

**A. Plan Description**

All members of the New Prague Fire Department (the Department) are covered by a defined benefit plan administered by the New Prague Fire Department Relief Association (the Association). As of December 31, 2023, the plan covered 30 active firefighters and 5 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

**B. Benefits Provided**

A fire fighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full-service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

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**Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)**

**C. Contributions**

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$128,878 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2024, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the plan for the year ended December 31, 2024 were \$128,878. The City's contributions were equal to the required contributions as set by state statute. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

**D. Pension Costs**

At December 31, 2024, the City reported a net pension liability (asset) of (\$301,951) for the plan. The net pension liability (asset) was measured as of January 1, 2023. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by USI Consulting Group. applying an actuarial formula to specific census data certified by the Department as of January 1, 2023. The following table presents the changes in net pension liability (asset) during the year:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2024	\$ 1,035,935	\$ 1,195,557	\$ (159,622)
Changes for the Year			
Service cost	55,744	-	55,744
Interest cost	62,981	-	62,981
Nonemployer contributions	-	117,174	(117,174)
Projected investment return	-	72,720	(72,720)
Gain or loss	-	71,450	(71,450)
Benefit payments	(84,000)	(84,000)	-
Administrative costs	-	(290)	290
Total Net Changes	34,725	177,054	(142,329)
Ending Balance December 31, 2024	\$ 1,070,660	\$ 1,372,611	\$ (301,951)

For the year ended December 31, 2024, the City recognized pension expense of \$34,046.



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**Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)**

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 932	\$ 46,077
Changes in Actuarial Assumptions	8,489	36,039
Net Difference Between Projected and Actual Earnings on Plan Investments	64,421	-
State Aid to City Subsequent to the Measurement Date	128,878	-
	<u>\$ 202,720</u>	<u>\$ 82,116</u>
Total		

Deferred outflows of resources totaling \$128,878 related to pensions resulting from the City's contributions to the plan 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 the plan will be recognized in pension expense as follows:

2025	\$ 8,757
2026	16,949
2027	26,131
2028	(25,300)
2029	(11,005)
Thereafter	(23,806)

**E. Actuarial Assumptions**

The total pension liability at December 31, 2024 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 100 percent service pension at age 50 and 20 years of service, early vested retirement at age 50 with 10 years of service vested at 60 percent and increased by 4 percent for each additional year of service up to 20 and eligibility for deferred service pension payable at age 50 and 20 years of service.

Salary Increases	2.50% per year
Investment Rate of Return	6.00%
20-Year Municipal Bond Yield	N/A

There were no changes in actuarial assumptions in 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

City of New Prague, Minnesota  
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**Note 6: Defined Benefit Pension Plans - Fire Relief Association (Continued)**

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
Cash	14.00 %	2.00 %
Fixed Income	32.00	3.90
Equities	54.00	8.10
Total	100.00 %	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan 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.

**G. Pension Liability Sensitivity**

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

	City Proportionate Share of NPL		
	1 Percent Decrease (5.00%)	Current (6.00%)	1 Percent Increase (7.00%)
Defined Benefit Plan	\$ (260,848)	\$ (301,951)	\$ (341,404)

**H. Pension Plan Fiduciary Net Position**

The Association issues a publicly available financial report. The report may be obtained by writing to the New Prague Fire Department Relief Association, New Prague, MN 56044.

City of New Prague, Minnesota  
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**Note 7: Postemployment Benefits Other Than Pensions**

**A. Plan Description**

The City operates a single-employer retiree benefit plan ("the Plan") that provides health, life and dental insurance to eligible employees and their families through the City's health insurance plan. The full cost of the benefits is covered by the retirees. Benefit and eligibility provisions are established through negotiations between the City and various unions representing City employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available report.

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	2
Active Plan Members	<u>53</u>
Total Plan Members	<u><u>55</u></u>

**B. Funding Policy**

Contribution requirements are also negotiated between the City and union representatives. The City does not make any contributions to eligible retired plan members and their spouses.

For the year ended December 31, 2024, the City's average contribution rate was 4.63 percent of covered-employee payroll. For the fiscal year 2024, the City did not directly contribute to the plan, while implicit contributions totaled \$12,595. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

**C. Actuarial Methods and Assumptions**

The City's total OPEB liability of \$210,660 was measured as of January 1, 2024, and the OPEB liability was determined by an actuarial valuation as of January 1, 2023. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.00%
20-Year Municipal Bond Yield	4.00%
Inflation Rate	2.50%
Salary Increases	Service graded table
Medical Trend Rate	6.50% as of January 1, 2023 grading to 5.00% over 6 years and then to 4.00% over the next 48 years

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 7: Postemployment Benefits Other Than Pensions (Continued)**

Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

**D. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balances at December 31, 2023	\$ 193,888
Changes for the Year	
Service Costs	17,414
Interest Costs	8,275
Benefit Payment	(8,917)
Net Changes	<u>16,772</u>
Balances at December 31, 2024	<u>\$ 210,660</u>

Since the prior measurement date, the following assumptions changed:

- None

Since the prior measurement date, the following benefit terms changed:

- None

**E. Sensitivity of the Net OPEB Liability**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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:

<u>1 Percent Decrease 3%</u>	<u>Discount Rate Current 4%</u>	<u>1 Percent Increase 5%</u>
\$ 225,327	\$ 210,660	\$ 196,872

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 7: Postemployment Benefits Other Than Pensions (Continued)**

The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

1 Percent Decrease 5.5% Decreasing to 4.0% then 3.0%	Healthcare Cost Trend Rates 6.5% Decreasing to 5.0% then 4.0%	1 Percent Increase 7.5% Decreasing to 6.0% then 5.0%
\$ 188,946	\$ 210,660	\$ 236,039

**F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2024, the City Recognized OPEB expense of \$12,606. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 11,152	\$ 40,522
Changes in Actuarial Assumptions	3,146	16,724
Contributions Paid to OPEB Subsequent to the Measurement Date	12,595	-
Total	<u>\$ 26,893</u>	<u>\$ 57,246</u>

Deferred outflows of resources totaling \$12,595 related to pensions resulting from the City's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability as of December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

2025	\$ (3,668)
2026	(14,899)
2027	(14,898)
2028	(4,743)
2029	(4,740)

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 8: Other Information**

**A. Risk Management**

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

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

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**C. Commitments and Contingencies**

The PUC, together with 17 other member utilities, purchases power from Southern Minnesota Municipal Power Agency (SMMPA) under a Power Sales Contract which extends to April 1, 2050. In addition, on November 1, 1997, the PUC entered into a Capacity Purchase Agreement with SMMPA, whereby SMMPA is entitled to the exclusive use of the net electric generating capability of the Diesel Generating Facilities and the electric energy associated therewith. The agreement is cancelable by either party upon a five-year written notice. The first date of notice can be given by the SMMPA at any time. The first date of notice can be given by the PUC at any time after November 1, 2000. Under the terms of the agreement, SMMPA is responsible for all costs associated with operations, maintenance, repairs, and other liabilities of operating the diesel generating facilities.

The PUC has entered into an Amended and Restated Capacity Purchase Agreement dated December 1, 2000, with SMMPA under which the City operated the Plant for the benefit of and upon the direction of SMMPA. Such contract was an amendment and an extension of an earlier 1996 contract. Under the terms of these contracts, certain capital improvements to the Plant (the "SMMPA additions") have been and will be made and owned by SMMPA. Since 1995, SMMPA additions totaling \$3,135,581 have been made by SMMPA, the depreciated value of which is \$707,277. If the contract is terminated by the PUC, the PUC is obligated to purchase the SMMPA additions from SMMPA at their then depreciated cost and to pay SMMPA for the then depreciated value of Unit #6 of the Plant, as scheduled in the contract. Otherwise, SMMPA has the right, but not the obligation, to remove the SMMPA additions at the termination of the contract.

**D. Legal Debt Margin**

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. As of December 31, 2024, the City is under the legal debt margin.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 8: Other Information (Continued)**

**E. Agreement with the New Prague Public Utilities Commission (PUC)**

During 1990, an agreement between the PUC and the City Council states that the PUC shall transfer \$40,000 to the City, which represents payment in lieu of taxes. In addition, the PUC incurred the following costs for various departments of the City:

	2024	2023
Maintaining Street Lights and Signals	\$ 45,660	\$ 29,354
Capital - Street Lighting	58,720	10,291
Other Services	4,333	6,387
Total Costs	<u>\$ 108,713</u>	<u>\$ 46,032</u>

**F. Joint Venture - SCALE**

The City and all Scott County cities have joined with Scott County to create a public safety training facility. The facility is to be located at the former alternative county jail site north of Jordan. The City's annual obligation toward the facility is \$8,497.

**G. Tax Increment Districts**

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

**H. Concentrations**

The City receives a significant amount of its annual General fund revenues from the State of Minnesota from the Local Government Aid (LGA) and Market Value Homestead Credit (MVHC) programs. The amount received in 2024 was \$1,183,527 and \$189 for LGA and MVHC, respectively. This accounted for 17 percent of General fund revenues.

**I. Joint Powers Agreement**

The City and the Independent School District No. 721 (the District) amended and restated their joint powers agreement on September 17, 2018 regarding the construction and operation of the indoor pool and Fitness Center facility located at the Central Education Campus; along with the operations of the outdoor pool facility on Lexington and the operations of the summer recreation program. Per the agreement, the City will be invoiced for half of any operating losses for the prior fiscal year. In 2024 the City paid their portion of the loss totaling \$140,838.

**J. Service Territory Agreement**

The PUC entered into Service Territory Agreement with Minnesota Valley Electric Cooperative (MVEC) to provide electric service to all customers with the City limits, of which, some were previously served by MVEC. The PUC purchased the facilities in 2018 and will annually pay MVEC a loss of revenue payment of \$0.02716 times each kilowatt hour of electric energy sold by the PUC. The payment made in 2024 to MVEC was \$413,239.10.

City of New Prague, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 9: Adjustments to and Restatements of Beginning Balances**

**Change within Major and Nonmajor Fund Reporting**

During 2024, the 2024 CIP fund was determined to be a major fund while the 2023 CIP fund was determined to be nonmajor. The effects of the changes within the financial reporting entity are shown in the financial statements above.

**Change in Accounting Principle**

During fiscal year 2024, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and Statements No. 101, Compensated Absences, for the year ended December 31, 2024. Adoption of the provisions of these statement results in significant change to the classifications of the components of the financial statements. There were no adjustments or restatements of beginning balances needed for the adoption of these statements



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

City of New Prague, Minnesota  
Required Supplementary Information  
For the Year Ended December 31, 2024

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.0477 %	\$ 1,765,010	\$ 45,640	\$ 1,810,650	\$ 4,040,713	43.7 %	86.7 %
6/30/2023	0.0496	2,773,577	76,358	2,849,935	3,925,371	70.7	83.1
6/30/2022	0.0462	3,659,055	107,149	3,766,204	3,454,201	105.9	76.7
6/30/2021	0.0448	1,913,161	58,591	1,971,752	3,355,684	57.0	87.0
6/30/2020	0.0430	2,578,047	79,451	2,657,498	2,940,549	87.7	79.0
6/30/2019	0.0413	2,283,384	70,997	2,354,381	2,920,424	78.2	80.2
6/30/2018	0.0422	2,341,083	76,820	2,417,903	2,838,209	82.5	79.5
6/30/2017	0.0415	2,649,332	43,754	2,649,332	2,678,131	98.9	75.9
6/30/2016	0.0413	3,353,355	-	3,353,355	2,556,248	131.2	68.9
6/30/2015	0.0418	2,166,293	-	2,166,293	2,453,947	88.3	78.2

**Schedule of Employer's PERA Contributions - General Employees Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 306,174	\$ 306,174	\$ -	\$ 4,082,322	7.50 %
12/31/2023	296,153	296,153	-	3,948,712	7.50
12/31/2022	271,681	271,681	-	3,622,406	7.50
12/31/2021	258,977	258,977	-	3,453,031	7.50
12/31/2020	236,832	236,832	-	3,157,764	7.50
12/31/2019	227,229	227,229	-	3,029,706	7.50
12/31/2018	214,780	214,780	-	2,863,722	7.50
12/31/2017	205,361	205,361	-	2,738,159	7.50
12/31/2016	197,159	197,159	-	2,628,794	7.50
12/31/2015	186,002	186,002	-	2,480,026	7.50

City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Notes to the Required Supplementary Information - General Employee Retirement Fund**

Changes in Actuarial Assumptions

2024 - The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023 - The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - 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.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - 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.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. 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.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Notes to the Required Supplementary Information - General Employee Retirement Fund (Continued)**

Changes in Plan Provisions

2024 - The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 - 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 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 - 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 - 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 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 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 - 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 - There were no changes in plan provisions since the previous valuation.

2015 - 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.

City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.0758 %	\$ 997,701	\$ 38,032	\$ 1,035,733	\$ 1,050,127	95.0 %	87.0 %
6/30/2023	0.0777	1,341,778	54,095	1,395,873	1,020,876	131.4	86.5
6/30/2022	0.0754	3,281,110	143,348	3,424,458	916,031	358.2	70.5
6/30/2021	0.0721	556,536	25,007	581,543	885,240	62.9	93.7
6/30/2020	0.0741	976,717	23,026	999,743	840,095	116.3	87.2
6/30/2019	0.0713	759,061	-	759,061	752,686	100.8	89.3
6/30/2018	0.0690	735,469	-	735,469	727,088	101.2	88.8
6/30/2017	0.0720	972,086	-	972,086	741,712	131.1	85.4
6/30/2016	0.0680	2,728,958	-	2,728,958	658,689	414.3	63.9
6/30/2015	0.0740	840,813	-	840,813	681,114	123.4	86.6

**Schedule of Employer's PERA Contributions - Police and Fire Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2024	\$ 196,692	\$ 196,692	\$ -	\$ 1,111,254	17.70 %
12/31/2023	177,395	177,395	-	1,002,233	17.70
12/31/2022	170,146	170,146	-	961,276	17.70
12/31/2021	159,948	159,948	-	903,663	17.70
12/31/2020	150,077	150,077	-	885,409	16.95
12/31/2019	134,539	134,539	-	793,738	16.95
12/31/2018	118,485	118,485	-	731,387	16.20
12/31/2017	120,459	120,459	-	743,572	16.20
12/31/2016	113,183	113,183	-	698,658	16.20
12/31/2015	108,510	108,510	-	669,818	16.20

City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Notes to the Required Supplementary Information - Police and Fire Fund**

Changes in Actuarial Assumptions

2024 - Changes in Plan Provisions The State contribution of \$9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year. The additional \$9 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - The investment return assumption was changed from 6.5 percent to 7.0 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.5 percent to 6.5 percent, for financial reporting purposes. The inflation assumption was changed from 2.5 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.0 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 60.0 percent to 70.0 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

2017 - 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 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 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 3.0 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 percent to 60 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 post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.5 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Notes to the Required Supplementary Information - Police and Fire Fund (Continued)**

Changes in Plan Provisions

2024 - The State contribution of \$9 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.

The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 - An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023. The 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 was increased, effective July 1, 2023.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019 and 17.7 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 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- 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 30.0 percent for vested and non-vested, deferred members. The CSA has been changed to 33.0 percent for vested members and 2.0 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 3.0 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 65.0 percent to 60.0 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 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter. The single discount rate was changed from 5.6 percent per annum to 7.5 percent per annum.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

**City of New Prague, Minnesota**  
**Required Supplementary Information**  
**For the Year Ended December 31, 2024**

**Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios**

	2024 (Fire Relief Report Date 2023)	2023 (Fire Relief Report Date 2021)	2022 (Fire Relief Report Date 2021)	2021 (Fire Relief Report Date 2020)	2020 (Fire Relief Report Date 2019)	2019 (Fire Relief Report Date 2018)	2018 (Fire Relief Report Date 2017)	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)
Total Pension Liability									
Service cost	\$ 55,744	\$ 59,794	\$ 52,713	\$ 57,911	\$ 56,499	\$ 58,185	\$ 56,766	\$ 49,482	\$ 50,930
Interest cost	62,981	56,420	46,357	44,169	46,208	41,189	43,689	49,553	43,697
Assumption changes	-	(20,948)	-	(17,732)	-	(17,603)	-	42,449	-
Plan changes	-	-	88,063	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	90,272	-
Gain or loss	-	(25,362)	-	(36,864)	-	2,054	-	(11,693)	-
Benefit payments, including refunds of employee contributions	(84,000)	-	(22,472)	(143,174)	(146,600)	-	(314,875)	-	(75,250)
Net Change in Total Pension Liability	34,725	69,904	164,661	(95,690)	(43,893)	83,825	(214,420)	220,063	19,377
Total Pension Liability - January 1	1,035,935	966,031	801,370	897,060	940,953	857,128	1,071,548	851,485	832,108
Total Pension Liability - December 31 (A)	<u>\$ 1,070,660</u>	<u>\$ 1,035,935</u>	<u>\$ 966,031</u>	<u>\$ 801,370</u>	<u>\$ 897,060</u>	<u>\$ 940,953</u>	<u>\$ 857,128</u>	<u>\$ 1,071,548</u>	<u>\$ 851,485</u>
Plan Fiduciary Net Position									
Nonemployer contributions	\$ 117,174	\$ 103,406	\$ 96,262	\$ 94,261	\$ 87,728	\$ 82,430	\$ 84,276	\$ 80,395	\$ 79,903
Projected investment return	72,720	73,040	61,416	50,641	46,039	43,673	43,128	54,623	52,893
Gain or Loss	71,450	(257,167)	61,346	40,914	100,036	(105,168)	43,225	-	-
Net investment income	-	-	-	-	-	-	-	(14,114)	(63,941)
Benefit payments, including refunds of employee contributions	(84,000)	-	(22,472)	(143,174)	(146,600)	-	(314,875)	-	(75,250)
Administrative expense	(290)	(25)	(25)	(267)	(30)	-	(306)	-	(44)
Net Change in Plan Fiduciary Net Position	177,054	(80,746)	196,527	42,375	87,173	20,935	(144,552)	120,904	(6,439)
Plan Fiduciary Net Position - January 1	1,195,557	1,276,303	1,079,776	1,037,401	950,228	929,293	1,073,845	952,941	959,380
Plan Fiduciary Net Position - December 31 (B)	<u>\$ 1,372,611</u>	<u>\$ 1,195,557</u>	<u>\$ 1,276,303</u>	<u>\$ 1,079,776</u>	<u>\$ 1,037,401</u>	<u>\$ 950,228</u>	<u>\$ 929,293</u>	<u>\$ 1,073,845</u>	<u>\$ 952,941</u>
Fire Relief's Net Pension Liability (Asset) - December 31 (A-B)	<u>\$ (301,951)</u>	<u>\$ (159,622)</u>	<u>\$ (310,272)</u>	<u>\$ (278,406)</u>	<u>\$ (140,341)</u>	<u>\$ (9,275)</u>	<u>\$ (72,165)</u>	<u>\$ (2,297)</u>	<u>\$ (101,456)</u>
Plan Fiduciary Net Position As a Percentage of the total pension liability (b/a)	128.20%	115.41%	132.12%	134.74%	115.64%	100.99%	108.42%	100.21%	111.92%
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's Net Pension Liability (Asset) As a Percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Note:** Schedule is intended to show 10-year trend. Additional years will be reported as they become available.



City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Notes to the Required Supplementary Information – Fire Relief Association**

Changes in Actuarial Assumptions

2024 - None

2023 – The discount rate changed from 5.50% to 6.00%

2022 - None

2021 - The Discount Rate changed from 5.00% to 5.50%

2020 - None

2019 – The Discount Rate changed from 4.50% to 5.00%

2018 - None

2017 - None

2016 - None

2015 - None

Changes in Plan Provisions

2024 - None

2023 - None

2022 - None

2021 - None

2020 - None

2019 - None

2018 - None

2017 - None

2016 - None

2015 - None

City of New Prague, Minnesota  
Required Supplementary Information (Continued)  
For the Year Ended December 31, 2024

**Notes to the Required Supplementary Information – Fire Relief Association (Continued)**

**Schedule of Employer's Fire Relief Association Contributions**

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/24	\$ 128,878	\$ 128,878	\$ -
12/31/23	116,174	116,174	-
12/31/22	103,406	103,406	-
12/31/21	95,262	95,262	-
12/31/20	91,261	91,261	-
12/31/19	85,728	85,728	-
12/31/18	82,430	82,430	-
12/31/17	80,276	80,276	-
12/31/16	79,903	79,903	-
12/31/15	104,264	104,264	-

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

City of New Prague, Minnesota  
Required Supplementary Information  
For the Year Ended December 31, 2024

**Schedule of changes in the City's OPEB Liability and related ratios**

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Costs	\$ 17,414	\$ 16,907	\$ 18,569	\$ 18,028	\$ 15,170	\$ 14,728	\$ 12,262	\$ 11,905
Interest Costs	8,275	4,581	4,420	10,740	10,533	7,270	6,880	6,560
Assumption Changes	-	(23,414)	-	7,159	-	583	-	-
Differences between expected and actual experience	-	(9,784)	-	(78,250)	-	78,064	-	-
Benefit Payment	(8,917)	(12,991)	(13,593)	(25,913)	(20,378)	(10,154)	(12,523)	(8,319)
Net Change in Total OPEB Liability	16,772	(24,701)	9,396	(68,236)	5,325	90,491	6,619	10,146
Total OPEB Liability - Beginning	193,888	218,589	209,193	277,429	272,104	181,613	174,994	164,848
Total OPEB Liability - Ending	<u>\$ 210,660</u>	<u>\$ 193,888</u>	<u>\$ 218,589</u>	<u>\$ 209,193</u>	<u>\$ 277,429</u>	<u>\$ 272,104</u>	<u>\$ 181,613</u>	<u>\$ 174,994</u>
Covered - Employee Payroll	\$ 4,553,007	\$ 4,420,395	\$ 4,135,624	\$ 4,014,878	\$ 3,581,627	\$ 3,477,308	\$ 3,337,280	\$ 3,240,078
City's total OPEB liability as a percentage of covered employee payroll	4.63 %	4.39 %	5.29 %	5.21 %	7.75 %	7.83 %	5.44 %	5.40 %

**Notes to the Required Supplementary Information – Other Postemployment Benefits**

Changes in assumptions:

2024 - None

2023 – The health care trend rates and mortality tables were updated. The retirement, withdrawal, and salary increase rates for public safety employees were updated. The inflation rate was changed from 2.00% to 2.50%. The discount rate was changed from 2.00% to 4.00%

2022 - None

2021 - The health care trend rates were changed to better anticipate short term and long term medical increases. The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale. The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group. The retirement and withdrawal rates for non-public safety employees were updated. The inflation rate was changed from 2.50% to 2.00%. The discount rate was changed from 3.80% to 2.00%.

2020 - None

2019 - The health care trend rates were changed to better anticipate short term and long term medical increases. The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018

2018 - Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel). The retirement and withdrawal tables for Police and Fire Personnel were updated.

Changes in Plan Provisions:

• None

Changes in benefits:

• None

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COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

City of New Prague, Minnesota  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2024

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and temporary investments	\$ 1,179,854	\$ 3,043,195	\$ 4,223,049
Receivables			
Accounts	-	2,771	2,771
Notes, net of allowance	27,174	-	27,174
Special assessments	-	249,293	249,293
Intergovernmental	-	1,029,401	1,029,401
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u><u>\$ 1,207,028</u></u>	<u><u>\$ 4,324,660</u></u>	<u><u>\$ 5,531,688</u></u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 360	\$ 138,201	\$ 138,561
Unearned revenue	-	9,111	9,111
Total Liabilities	<u>360</u>	<u>147,312</u>	<u>147,672</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - special assessments	-	249,293	249,293
Unavailable revenue - grants	-	1,029,401	1,029,401
Total Deferred Inflows of Resources	<u>-</u>	<u>1,278,694</u>	<u>1,278,694</u>
<b>Fund Balances</b>			
Restricted for			
Economic development	1,071,606	-	1,071,606
Capital project	-	384,530	384,530
Park improvements	-	9,836	9,836
Committed for			
Upgrades	-	69,482	69,482
Assigned for			
Economic development	73,476	-	73,476
Crime prevention	61,586	-	61,586
Capital projects	-	2,694,716	2,694,716
Equipment	-	158,735	158,735
Park improvements	-	327,018	327,018
Unassigned	-	(745,663)	(745,663)
Total Fund Balances	<u>1,206,668</u>	<u>2,898,654</u>	<u>4,105,322</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,207,028</u></u>	<u><u>\$ 4,324,660</u></u>	<u><u>\$ 5,531,688</u></u>

City of New Prague, Minnesota  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2024

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$ 138,275	\$ 138,275
Special assessments	-	502	502
Charges for services	27,432	69,978	97,410
Investment earnings	41,299	186,523	227,822
Miscellaneous	595	-	595
Total Revenues	<u>69,326</u>	<u>395,278</u>	<u>464,604</u>
Expenditures			
Current			
Public safety	11,458	-	11,458
Public works	-	2,024	2,024
Culture and recreation	-	25,000	25,000
Capital outlay			
Public safety	-	401,519	401,519
Public works	-	318,285	318,285
Culture and recreation	-	17,096	17,096
Total Expenditures	<u>11,458</u>	<u>763,924</u>	<u>775,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>57,868</u>	<u>(368,646)</u>	<u>(310,778)</u>
Other Financing Sources (Uses)			
Transfers in	-	174,338	174,338
Transfers out	(29,924)	(148,506)	(178,430)
Total Other Financing Sources (Uses)	<u>(29,924)</u>	<u>25,832</u>	<u>(4,092)</u>
Net Change in Fund Balances	<u>27,944</u>	<u>(342,814)</u>	<u>(314,870)</u>
Fund Balances, January 1 as Previously Reported	1,178,724	2,801,988	3,980,712
Change within Financial Reporting Entity (Note 9)			
Change from major to nonmajor fund	-	258,309	258,309
Change from nonmajor to major fund	-	181,171	181,171
Fund Balances, January 1 as Adjusted	<u>1,178,724</u>	<u>3,241,468</u>	<u>4,420,192</u>
Fund Balances, December 31	<u>\$ 1,206,668</u>	<u>\$ 2,898,654</u>	<u>\$ 4,105,322</u>

City of New Prague, Minnesota  
Nonmajor Proprietary Funds  
Combining Statement of Net Position  
December 31, 2024

	Business-type Activities - Enterprise Funds			
	651	603	606	
	Ambulance	Golf	Storm Water Utility	Totals
<b>Assets</b>				
<b>Current Assets</b>				
Cash and temporary investments	\$ 201,740	\$ 436,826	\$ 1,299,057	\$ 1,937,623
Receivables				
Accounts	-	6,479	28,765	35,244
Intergovernmental	-	-	2,177	2,177
Inventories	-	72,328	-	72,328
Total Current Assets	<u>201,740</u>	<u>515,633</u>	<u>1,329,999</u>	<u>2,047,372</u>
<b>Noncurrent Assets</b>				
Capital assets				
Land improvements	-	910,290	-	910,290
Buildings and structures	-	1,094,511	-	1,094,511
Infrastructure	-	-	8,777,601	8,777,601
Machinery and equipment	-	1,777,792	29,296	1,807,088
Construction in progress	-	-	23,875	23,875
Less accumulated depreciation	-	(2,788,152)	(4,297,229)	(7,085,381)
Total capital assets	-	<u>994,441</u>	<u>4,533,543</u>	<u>5,527,984</u>
Total Noncurrent Assets	-	<u>994,441</u>	<u>4,533,543</u>	<u>5,527,984</u>
Total Assets	<u>201,740</u>	<u>1,510,074</u>	<u>5,863,542</u>	<u>7,575,356</u>
<b>Deferred Outflows of Resources</b>				
Deferred other post employment benefit resources	-	1,072	398	1,470
Deferred pension resources	-	32,718	7,488	40,206
Total Deferred Outflows of Resources	-	<u>33,790</u>	<u>7,886</u>	<u>41,676</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts and contracts payable	49	24,665	887	25,601
Due to other governments	504	2,808	-	3,312
Accrued interest payable	-	7,055	30,271	37,326
Accrued wages payable	-	6,374	1,029	7,403
Accrued compensated absences payable	-	5,239	-	5,239
Customer deposits payable	-	66,592	-	66,592
Unearned revenue	1,697	151,396	-	153,093
Other post employment benefits	-	554	205	759
Bonds payable - current	-	59,000	145,206	204,206
Total Current Liabilities	<u>2,250</u>	<u>323,683</u>	<u>177,598</u>	<u>503,531</u>
<b>Noncurrent Liabilities</b>				
Accrued compensated absences payable	-	9,984	-	9,984
Bonds payable - net of current portion	-	339,984	1,778,193	2,118,177
Net pension liability	-	119,227	29,175	148,402
Other post employment benefits	-	7,844	2,909	10,753
Total Noncurrent Liabilities	-	<u>477,039</u>	<u>1,810,277</u>	<u>2,287,316</u>
Total Liabilities	<u>2,250</u>	<u>800,722</u>	<u>1,987,875</u>	<u>2,790,847</u>
<b>Deferred Inflows of Resources</b>				
Deferred other post employment benefit resources	-	2,282	846	3,128
Deferred pension resources	-	101,179	21,520	122,699
Total Deferred Inflows of Resources	-	<u>103,461</u>	<u>22,366</u>	<u>125,827</u>
<b>Net Position</b>				
Net investment in capital assets	-	595,457	2,610,144	3,205,601
Unrestricted	<u>199,490</u>	<u>44,224</u>	<u>1,251,043</u>	<u>1,494,757</u>
Total Net Position	<u>\$ 199,490</u>	<u>\$ 639,681</u>	<u>\$ 3,861,187</u>	<u>\$ 4,700,358</u>



City of New Prague, Minnesota  
Nonmajor Proprietary Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	<b>651</b>	<b>603</b>	<b>606</b>	
	Ambulance	Golf	Storm Water Utility	Totals
Operating Revenues				
Sales	\$ -	\$ 499,714	\$ -	\$ 499,714
Cost of sales	-	(242,775)	-	(242,775)
Gross profit	-	256,939	-	256,939
Charges for services	-	942,329	411,242	1,353,571
Miscellaneous	20,193	511	-	20,704
Total Operating Revenues	20,193	1,199,779	411,242	1,631,214
Operating Expenses				
Salaries and benefits	-	701,090	89,331	790,421
Supplies	2,615	138,615	1,000	142,230
Other services and charges	8,583	155,158	22,830	186,571
Insurance	2,786	14,118	-	16,904
Utilities	-	89,743	-	89,743
Depreciation	-	135,551	271,196	406,747
Total Operating Expenses	13,984	1,234,275	384,357	1,632,616
Operating Income (Loss)	6,209	(34,496)	26,885	(1,402)
Nonoperating Revenues (Expenses)				
Intergovernmental	-	5,384	89,699	95,083
Investment income	6,887	14,538	58,762	80,187
Gain (loss) on disposal of capital assets	-	142,237	-	142,237
Amortization of bond premium	-	9,532	13,520	23,052
Bond issuance costs	-	(3,533)	(8,867)	(12,400)
Interest expense	-	(14,301)	(67,570)	(81,871)
Total Nonoperating Revenues (Expenses)	6,887	153,857	85,544	246,288
Income (Loss) Before Transfers	13,096	119,361	112,429	244,886
Transfers In	-	41,946	-	41,946
Change in Net Position	13,096	161,307	112,429	286,832
Net Position, January 1	186,394	478,374	3,748,758	4,413,526
Net Position, December 31	\$ 199,490	\$ 639,681	\$ 3,861,187	\$ 4,700,358

City of New Prague, Minnesota  
Nonmajor Proprietary Funds  
Combining Statement of Cash Flows (Continued on the Following Page)  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	651	603	606	
	Ambulance	Golf	Storm Water Utility	Totals
Cash Flows from Operating Activities				
Receipts from customers	\$ -	\$ 1,480,286	\$ 412,501	\$ 1,892,787
Payments to suppliers and vendors	(14,041)	(707,662)	(23,641)	(745,344)
Payments to and on behalf of employees	-	(710,773)	(84,795)	(795,568)
Other receipts	21,890	511	-	22,401
Net Cash Provided (Used) by Operating Activities	7,849	62,362	304,065	374,276
Cash Flows from Noncapital Financing Activities				
State grants received	-	5,384	89,699	95,083
Transfers from other funds	-	41,946	-	41,946
Net Cash Provided (Used) by Noncapital Financing Activities	-	47,330	89,699	137,029
Cash Flows from Capital Financing Activities				
Acquisition and construction of capital assets	-	(187,867)	(518,949)	(706,816)
Proceeds from debt instruments, net of discounts/premiums	-	187,029	476,443	663,472
Principal paid on debt instruments	-	(64,000)	(110,348)	(174,348)
Interest paid on debt instruments	-	(10,398)	(67,570)	(77,968)
Issuance costs paid on debt instruments	-	(3,533)	(8,867)	(12,400)
Net Cash Provided (Used) by Capital Financing Activities	-	(78,769)	(229,291)	(308,060)
Cash Flows from Investing Activities				
Interest received	6,887	14,538	58,762	80,187
Net Increase (Decrease) In Cash and Cash Equivalents	14,736	45,461	223,235	283,432
Cash and Cash Equivalents, January 1	187,004	391,365	1,075,822	1,654,191
Cash and Cash Equivalents, December 31	<u>\$ 201,740</u>	<u>\$ 436,826</u>	<u>\$ 1,299,057</u>	<u>\$ 1,937,623</u>

City of New Prague, Minnesota  
Nonmajor Proprietary Funds  
Combining Statements of Cash Flows (Continued)  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	651	603	606	Totals
	Ambulance	Golf	Storm Water Utility	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 6,209	\$ (34,496)	\$ 26,885	\$ (1,402)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	135,551	271,196	406,747
(Increase) decrease in assets				
Accounts receivable	-	4,629	1,047	5,676
Due from other governments	-	-	212	212
Inventories	-	(14,440)	-	(14,440)
(Increase) decrease in deferred outflows of resources				
Deferred other post employment benefit resources	-	(200)	227	27
Deferred pension resources	-	38,673	7,010	45,683
Increase (decrease) in liabilities				
Accounts and contracts payable	(2)	(53,068)	189	(52,881)
Due to other governments	(55)	255	-	200
Accrued wages payable	-	1,705	(288)	1,417
Accrued compensated absences payable	-	4,017	8,401	12,418
Customer deposits payable	-	881	-	881
Unearned revenue	1,697	32,733	-	34,430
Other post employment benefit resources	-	4,023	(20)	4,003
Net pension liability	-	(98,857)	(17,164)	(116,021)
Increase (decrease) in deferred inflows of resources				
Deferred other post employment benefit resources	-	631	(337)	294
Deferred pension resources	-	40,325	6,707	47,032
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,849</u>	<u>\$ 62,362</u>	<u>\$ 304,065</u>	<u>\$ 374,276</u>
Noncash Financing Activities				
Book value of disposed/traded of capital assets	<u>\$ -</u>	<u>\$ (32,763)</u>	<u>\$ -</u>	<u>\$ (32,763)</u>
Amortization of bond (premium) discount	<u>\$ -</u>	<u>\$ (9,532)</u>	<u>\$ (13,520)</u>	<u>\$ (23,052)</u>
Bond premium issued	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,443</u>	<u>\$ 36,443</u>
Trade in allowance on capital asset trade	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ 175,000</u>

City of New Prague, Minnesota  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
December 31, 2024

	<b>203</b> Development Revolving Loan	<b>204</b> Small Cities Grant	<b>206</b> Economic Development	<b>207</b> 2016 Small Cities Project
<b>Assets</b>				
Cash and temporary investments	\$ 173,476	\$ 33,885	\$ 240,772	\$ 173,715
Receivables				
Notes, net of allowance	-	-	-	27,174
<b>Total Assets</b>	<u><u>\$ 173,476</u></u>	<u><u>\$ 33,885</u></u>	<u><u>\$ 240,772</u></u>	<u><u>\$ 200,889</u></u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b>Fund Balances</b>				
Restricted for				
Economic development	100,000	33,885	240,772	200,889
Assigned for				
Economic development	73,476	-	-	-
Crime prevention	-	-	-	-
<b>Total Fund Balances</b>	<u><u>173,476</u></u>	<u><u>33,885</u></u>	<u><u>240,772</u></u>	<u><u>200,889</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 173,476</u></u>	<u><u>\$ 33,885</u></u>	<u><u>\$ 240,772</u></u>	<u><u>\$ 200,889</u></u>

<b>208</b>	<b>209</b>	<b>233</b>	
2017 Small Cities Project	American Rescue Aid	Crime Prevention	Total Nonmajor
\$ 496,060	\$ -	\$ 61,946	\$ 1,179,854
-	-	-	27,174
<u>\$ 496,060</u>	<u>\$ -</u>	<u>\$ 61,946</u>	<u>\$ 1,207,028</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360</u>	<u>\$ 360</u>
496,060	-	-	1,071,606
-	-	-	73,476
-	-	61,586	61,586
<u>496,060</u>	<u>-</u>	<u>61,586</u>	<u>1,206,668</u>
<u>\$ 496,060</u>	<u>\$ -</u>	<u>\$ 61,946</u>	<u>\$ 1,207,028</u>

City of New Prague, Minnesota  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2024

	<b>203</b> Development Revolving Loan	<b>204</b> Small Cities Grant	<b>206</b> Economic Development	<b>207</b> 2016 Small Cities Project
Revenues				
Charges for services				
Public safety	\$ -	\$ -	\$ -	\$ -
Investment earnings	6,181	938	7,795	5,516
Miscellaneous				
Other	-	-	-	595
Total Revenues	<u>6,181</u>	<u>938</u>	<u>7,795</u>	<u>6,111</u>
Expenditures				
Current				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,181	938	7,795	6,111
Other Financing Sources (Uses)				
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,181	938	7,795	6,111
Fund Balances, January 1	<u>167,295</u>	<u>32,947</u>	<u>232,977</u>	<u>194,778</u>
Fund Balances, December 31	<u><u>\$ 173,476</u></u>	<u><u>\$ 33,885</u></u>	<u><u>\$ 240,772</u></u>	<u><u>\$ 200,889</u></u>

<b>208</b>	<b>209</b>	<b>233</b>	
<u>2017 Small Cities Project</u>	<u>American Rescue Aid</u>	<u>Crime Prevention</u>	<u>Total Nonmajor</u>
\$ -	\$ -	\$ 27,432	\$ 27,432
18,897	-	1,972	41,299
-	-	-	595
<u>18,897</u>	<u>-</u>	<u>29,404</u>	<u>69,326</u>
-	-	11,458	11,458
18,897	-	17,946	57,868
-	(29,924)	-	(29,924)
18,897	(29,924)	17,946	27,944
<u>477,163</u>	<u>29,924</u>	<u>43,640</u>	<u>1,178,724</u>
<u>\$ 496,060</u>	<u>\$ -</u>	<u>\$ 61,586</u>	<u>\$ 1,206,668</u>

City of New Prague, Minnesota  
Development Revolving Loan Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings	\$ 100	\$ 100	\$ 6,181	\$ 6,081	\$ 5,039
Fund Balances, January 1	<u>167,295</u>	<u>167,295</u>	<u>167,295</u>	<u>-</u>	<u>162,256</u>
Fund Balances, December 31	<u>\$ 167,395</u>	<u>\$ 167,395</u>	<u>\$ 173,476</u>	<u>\$ 6,081</u>	<u>\$ 167,295</u>



City of New Prague, Minnesota  
2016 Small Cities Project Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings	\$ 100	\$ 100	\$ 5,516	\$ 5,416	\$ 4,668
Miscellaneous					
Other	1,100	1,100	595	(505)	689
Total Revenues	1,200	1,200	6,111	4,911	5,357
Fund Balances, January 1	194,778	194,778	194,778	-	189,421
Fund Balances, December 31	<u>\$ 195,978</u>	<u>\$ 195,978</u>	<u>\$ 200,889</u>	<u>\$ 4,911</u>	<u>\$ 194,778</u>

City of New Prague, Minnesota  
2017 Small Cities Project Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Investment earnings	\$ 450	\$ 450	\$ 18,897	\$ 18,447	\$ 14,936
Fund Balances, January 1	<u>477,163</u>	<u>477,163</u>	<u>477,163</u>	<u>-</u>	<u>462,227</u>
Fund Balances, December 31	<u><u>\$ 477,613</u></u>	<u><u>\$ 477,613</u></u>	<u><u>\$ 496,060</u></u>	<u><u>\$ 18,447</u></u>	<u><u>\$ 477,163</u></u>

City of New Prague, Minnesota  
Crime Prevention Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Charges for services					
Public safety	\$ 6,000	\$ 6,000	\$ 27,432	\$ 21,432	\$ 4,910
Investment earnings	300	300	1,972	1,672	1,323
Total Revenues	<u>6,300</u>	<u>6,300</u>	<u>29,404</u>	<u>23,104</u>	<u>6,233</u>
Expenditures					
Current					
Public safety					
Supplies	6,000	6,000	4,706	1,294	4,812
Other services and charges	7,800	7,800	6,752	1,048	4,184
Total Expenditures	<u>13,800</u>	<u>13,800</u>	<u>11,458</u>	<u>2,342</u>	<u>8,996</u>
Net Change in Fund Balances	(7,500)	(7,500)	17,946	25,446	(2,763)
Fund Balances, January 1	<u>43,640</u>	<u>43,640</u>	<u>43,640</u>	-	<u>46,403</u>
Fund Balances, December 31	<u>\$ 36,140</u>	<u>\$ 36,140</u>	<u>\$ 61,586</u>	<u>\$ 25,446</u>	<u>\$ 43,640</u>

City of New Prague, Minnesota  
Nonmajor Capital Projects Funds  
Combining Balance Sheet  
December 31, 2024

	<b>210</b> 10th Ave Federal Grant	<b>228</b> Park Dedication Fees	<b>230</b> Park Improvements	<b>235</b> Sidewalk	<b>236</b> Sirens	<b>455</b> Trunk Sewer	<b>472</b> T.H. 19/ 11th Ave. Street
<b>Assets</b>							
Cash and temporary investments	\$ -	\$ 216,917	\$ 129,367	\$ 42,110	\$ 27,372	\$ 2,216,551	\$ 162,349
Receivables							
Accounts	-	-	-	-	-	2,771	-
Special assessments	-	-	-	-	-	-	137,778
Intergovernmental	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 216,917</b>	<b>\$ 129,367</b>	<b>\$ 42,110</b>	<b>\$ 27,372</b>	<b>\$ 2,219,322</b>	<b>\$ 300,127</b>
<b>Liabilities</b>							
Accounts and contracts payable	\$ -	\$ -	\$ 319	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	9,111	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>9,111</b>	<b>319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - special assessments	-	-	-	-	-	-	137,778
Unavailable revenue - grants	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,778</b>
<b>Fund Balances</b>							
Restricted for							
Capital projects	-	-	-	-	-	-	-
Park improvements	-	9,836	-	-	-	-	-
Committed for							
Upgrades	-	-	-	42,110	27,372	-	-
Assigned for							
Capital projects	-	-	-	-	-	2,219,322	162,349
Equipment	-	-	-	-	-	-	-
Park improvements	-	197,970	129,048	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>207,806</b>	<b>129,048</b>	<b>42,110</b>	<b>27,372</b>	<b>2,219,322</b>	<b>162,349</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 216,917</b>	<b>\$ 129,367</b>	<b>\$ 42,110</b>	<b>\$ 27,372</b>	<b>\$ 2,219,322</b>	<b>\$ 300,127</b>

<b>498</b>	<b>499</b>	<b>418</b>	<b>421</b>	<b>422</b>	<b>424</b>	<b>425</b>	
Equipment Fund	General Projects	T.H. 19 Project	CIP 2022	CIP 2023	CIP 2025	Police Station	Total Nonmajor
\$ 158,735	\$ 313,045	\$ (236,879)	\$ 301,045	\$ 119,915	\$ (5,813)	\$ (401,519)	\$ 3,043,195
-	-	-	-	-	-	-	2,771
-	111,515	-	-	-	-	-	249,293
-	1,029,401	-	-	-	-	-	1,029,401
<u>\$ 158,735</u>	<u>\$ 1,453,961</u>	<u>\$ (236,879)</u>	<u>\$ 301,045</u>	<u>\$ 119,915</u>	<u>\$ (5,813)</u>	<u>\$ (401,519)</u>	<u>\$ 4,324,660</u>
\$ -	\$ -	\$ -	\$ -	\$ 36,430	\$ 101,452	\$ -	\$ 138,201
-	-	-	-	-	-	-	9,111
-	-	-	-	36,430	101,452	-	147,312
-	111,515	-	-	-	-	-	249,293
-	1,029,401	-	-	-	-	-	1,029,401
-	1,140,916	-	-	-	-	-	1,278,694
-	-	-	301,045	83,485	-	-	384,530
-	-	-	-	-	-	-	9,836
-	-	-	-	-	-	-	69,482
-	313,045	-	-	-	-	-	2,694,716
158,735	-	-	-	-	-	-	158,735
-	-	-	-	-	-	-	327,018
-	-	(236,879)	-	-	(107,265)	(401,519)	(745,663)
<u>158,735</u>	<u>313,045</u>	<u>(236,879)</u>	<u>301,045</u>	<u>83,485</u>	<u>(107,265)</u>	<u>(401,519)</u>	<u>2,898,654</u>
<u>\$ 158,735</u>	<u>\$ 1,453,961</u>	<u>\$ (236,879)</u>	<u>\$ 301,045</u>	<u>\$ 119,915</u>	<u>\$ (5,813)</u>	<u>\$ (401,519)</u>	<u>\$ 4,324,660</u>

City of New Prague, Minnesota  
Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2024

	210 10th Ave Federal Grant	228 Park Dedication Fees	230 Park Improvements	235 Sidewalk	236 Sirens	455 Trunk Sewer	472 T.H. 19/ 11th Ave. Street
Revenues							
Taxes							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Connection charges	-	-	-	-	-	39,758	-
Charges for services	-	9,111	21,109	-	-	-	-
Investment earnings	-	7,318	3,973	1,401	893	82,732	5,228
Total Revenues	-	16,429	25,082	1,401	893	122,490	5,228
Expenditures							
Current							
Public works	-	-	-	-	-	-	-
Culture and recreation	-	25,000	-	-	-	-	-
Capital outlay							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	17,096	-	-	-	-
Total Expenditures	-	25,000	17,096	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(8,571)	7,986	1,401	893	122,490	5,228
Other Financing Sources (Uses)							
Transfers in	16,677	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	16,677	-	-	-	-	-	-
Net Change in Fund Balances	16,677	(8,571)	7,986	1,401	893	122,490	5,228
Fund Balances, January 1 as Previously Reported	(16,677)	216,377	121,062	40,709	26,479	2,096,832	157,121
Change within Financial Reporting Entity (Note 9)							
Change from major to nonmajor fund	-	-	-	-	-	-	-
Change from nonmajor to major fund	-	-	-	-	-	-	-
Fund Balances, January 1 as Adjusted	(16,677)	216,377	121,062	40,709	26,479	2,096,832	157,121
Fund Balances, December 31	\$ -	\$ 207,806	\$ 129,048	\$ 42,110	\$ 27,372	\$ 2,219,322	\$ 162,349

498	499	418	421	Formerly Major 422	Formerly Nonmajor 423	424	425	
Equipment Fund	General Projects	T.H. 19 Project	CIP 2022	CIP 2023	CIP 2024	CIP 2025	Police Station	Total Nonmajor
\$ 138,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,275
-	502	-	-	-	-	-	-	502
-	-	-	-	-	-	-	-	39,758
-	-	-	-	-	-	-	-	30,220
1,073	15,287	-	65,460	3,158	-	-	-	186,523
139,348	15,789	-	65,460	3,158	-	-	-	395,278
-	2,024	-	-	-	-	-	-	2,024
-	-	-	-	-	-	-	-	25,000
-	-	-	-	-	-	-	401,519	401,519
-	-	33,254	-	177,982	-	107,049	-	318,285
-	-	-	-	-	-	-	-	17,096
-	2,024	33,254	-	177,982	-	107,049	401,519	763,924
139,348	13,765	(33,254)	65,460	(174,824)	-	(107,049)	(401,519)	(368,646)
157,661	-	-	-	-	-	-	-	174,338
(148,506)	-	-	-	-	-	-	-	(148,506)
9,155	-	-	-	-	-	-	-	25,832
148,503	13,765	(33,254)	65,460	(174,824)	-	(107,049)	(401,519)	(342,814)
10,232	299,280	(203,625)	235,585	-	(181,171)	(216)	-	2,801,988
-	-	-	-	258,309	-	-	-	181,171
10,232	299,280	(203,625)	235,585	258,309	-	(216)	-	2,983,159
\$ 158,735	\$ 313,045	\$ (236,879)	\$ 301,045	\$ 83,485	\$ -	\$ (107,265)	\$ (401,519)	\$ 2,640,345

City of New Prague, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Continued on the Following Pages)  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			2023	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
Property taxes	\$ 3,749,628	\$ 3,749,628	\$ 3,759,722	\$ 10,094	\$ 3,744,179
Franchise taxes	90,000	90,000	87,942	(2,058)	94,949
Total taxes	<u>3,839,628</u>	<u>3,839,628</u>	<u>3,847,664</u>	<u>8,036</u>	<u>3,839,128</u>
Special assessments	-	-	8,473	8,473	-
Licenses and permits					
Business	50,325	50,325	62,758	12,433	55,058
Nonbusiness	199,930	199,930	312,115	112,185	266,577
Total licenses and permits	<u>250,255</u>	<u>250,255</u>	<u>374,873</u>	<u>124,618</u>	<u>321,635</u>
Intergovernmental					
Federal					
ARPA	237,388	237,388	270,611	33,223	545,968
Police federal aid	-	-	10,688	10,688	8,309
Total federal	<u>237,388</u>	<u>237,388</u>	<u>281,299</u>	<u>43,911</u>	<u>554,277</u>
State					
Local government aid	1,183,527	1,183,527	1,183,527	-	985,808
Property tax credits and aids	-	-	189	189	181
Highway aid	106,242	106,242	182,861	76,619	107,135
Police state aid	92,000	92,000	128,220	36,220	106,172
Fire state aid	95,000	95,000	128,878	33,878	116,174
Other state aid	86,230	86,230	23,795	(62,435)	428,344
Total state	<u>1,562,999</u>	<u>1,562,999</u>	<u>1,647,470</u>	<u>84,471</u>	<u>1,743,814</u>
County					
Other County grants	4,200	4,200	17,780	13,580	16,877
Total intergovernmental	<u>1,804,587</u>	<u>1,804,587</u>	<u>1,946,549</u>	<u>141,962</u>	<u>2,314,968</u>
Charges for services					
General government	11,000	11,000	7,060	(3,940)	10,799
Public safety	65,408	65,408	82,901	17,493	46,891
Public works	1,000	1,000	871	(129)	1,655
Culture and recreation	4,756	4,756	7,119	2,363	4,885
Miscellaneous	9,600	9,600	7,200	(2,400)	7,200
Total charges for services	<u>91,764</u>	<u>91,764</u>	<u>105,151</u>	<u>13,387</u>	<u>71,430</u>
Fines and forfeits	<u>20,000</u>	<u>20,000</u>	<u>17,861</u>	<u>(2,139)</u>	<u>26,319</u>
Interest earnings	<u>125,000</u>	<u>125,000</u>	<u>296,628</u>	<u>171,628</u>	<u>347,250</u>
Miscellaneous					
Other	4,500	4,500	27,202	22,702	37,923
Contributions and donations	5,000	5,000	1,210	(3,790)	1,140
Total miscellaneous	<u>9,500</u>	<u>9,500</u>	<u>28,412</u>	<u>18,912</u>	<u>39,063</u>
Total Revenues	<u>6,140,734</u>	<u>6,140,734</u>	<u>6,625,611</u>	<u>484,877</u>	<u>6,959,793</u>



City of New Prague, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Continued)  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and council					
Personal services	\$ 23,852	\$ 23,852	\$ 23,483	\$ 369	\$ 25,149
Supplies	400	400	412	(12)	72
Other services and charges	51,990	51,990	35,153	16,837	42,103
Total mayor and council	76,242	76,242	59,048	17,194	67,324
City clerk/administration					
Personal services	403,440	403,440	446,444	(43,004)	434,227
Supplies	3,196	3,196	3,073	123	2,953
Other services and charges	55,008	55,008	45,657	9,351	61,802
Total city clerk/administration	461,644	461,644	495,174	(33,530)	498,982
Technical network					
Supplies	67,000	67,000	77,735	(10,735)	63,954
Other services and charges	98,383	98,383	111,939	(13,556)	124,954
Total technical network	165,383	165,383	189,674	(24,291)	188,908
Elections					
Personal services	12,000	12,000	14,473	(2,473)	-
Supplies	500	500	1,591	(1,091)	2,208
Other services and charges	3,300	3,300	2,628	672	1,214
Total elections	15,800	15,800	18,692	(2,892)	3,422
Assessing					
Other services and charges	45,700	45,700	45,700	-	44,400
Legal					
Other services and charges	70,000	70,000	90,273	(20,273)	78,101
Planning and zoning					
Personal services	343,454	343,454	274,016	69,438	255,897
Supplies	2,263	2,263	1,385	878	1,723
Other services and charges	60,006	60,006	28,456	31,550	73,825
Total planning and zoning	405,723	405,723	303,857	101,866	331,445
General government building					
Personal services	11,243	11,243	11,306	(63)	13,061
Supplies	5,100	5,100	2,711	2,389	4,429
Other services and charges	57,795	57,795	53,894	3,901	55,955
Total general government building	74,138	74,138	67,911	6,227	73,445
Total general government	1,314,630	1,314,630	1,270,329	44,301	1,286,027

City of New Prague, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Continued)  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety					
Police					
Personal services	\$ 1,933,659	\$ 1,933,659	\$ 1,789,745	\$ 143,914	\$ 1,610,250
Supplies	44,730	44,730	74,562	(29,832)	36,204
Other services and charges	155,907	155,907	131,294	24,613	132,437
Total police	<u>2,134,296</u>	<u>2,134,296</u>	<u>1,995,601</u>	<u>138,695</u>	<u>1,778,891</u>
Fire					
Personal services	161,050	161,050	186,528	(25,478)	174,767
Supplies	23,500	23,500	59,226	(35,726)	16,379
Other services and charges	42,782	42,782	49,772	(6,990)	37,604
Total fire	<u>227,332</u>	<u>227,332</u>	<u>295,526</u>	<u>(68,194)</u>	<u>228,750</u>
Building inspection					
Personal services	308,704	308,704	305,135	3,569	282,210
Supplies	4,684	4,684	3,069	1,615	3,462
Other services and charges	17,666	17,666	15,031	2,635	22,568
Total building inspection	<u>331,054</u>	<u>331,054</u>	<u>323,235</u>	<u>7,819</u>	<u>308,240</u>
Emergency management					
Supplies	350	350	(100)	450	232
Other services and charges	17,887	17,887	19,096	(1,209)	13,207
Total emergency management	<u>18,237</u>	<u>18,237</u>	<u>18,996</u>	<u>(759)</u>	<u>13,439</u>
Animal control					
Other services and charges	<u>150</u>	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>
Total public safety	<u>2,711,069</u>	<u>2,711,069</u>	<u>2,633,358</u>	<u>77,711</u>	<u>2,329,320</u>
Public works					
Streets and highways					
Personal services	754,727	754,727	699,682	55,045	738,767
Supplies	87,600	87,600	61,718	25,882	77,874
Other services and charges	155,135	155,135	131,612	23,523	206,546
Total streets and highways	<u>997,462</u>	<u>997,462</u>	<u>893,012</u>	<u>104,450</u>	<u>1,023,187</u>
Engineering					
Other services and charges	<u>20,000</u>	<u>20,000</u>	<u>113</u>	<u>19,887</u>	<u>10,491</u>
Street lighting					
Other services and charges	<u>72,333</u>	<u>72,333</u>	<u>54,410</u>	<u>17,923</u>	<u>65,265</u>
Total public works	<u>1,089,795</u>	<u>1,089,795</u>	<u>947,535</u>	<u>142,260</u>	<u>1,098,943</u>

City of New Prague, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Continued)  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Parks					
Personal services	\$ 379,154	\$ 379,154	\$ 457,007	\$ (77,853)	\$ 415,702
Supplies	72,700	72,700	60,684	12,016	64,583
Other services and charges	258,696	258,696	283,269	(24,573)	329,847
Total parks	<u>710,550</u>	<u>710,550</u>	<u>800,960</u>	<u>(90,410)</u>	<u>810,132</u>
Library					
Supplies	2,350	2,350	2,362	(12)	732
Other services and charges	30,915	30,915	27,211	3,704	45,367
Total library	<u>33,265</u>	<u>33,265</u>	<u>29,573</u>	<u>3,692</u>	<u>46,099</u>
Total culture and recreation	<u>743,815</u>	<u>743,815</u>	<u>830,533</u>	<u>(86,718)</u>	<u>856,231</u>
Miscellaneous					
Rental property					
Other services and charges	2,210	2,210	-	2,210	35,555
Unallocated					
Other services and charges	<u>55,385</u>	<u>55,385</u>	<u>403,933</u>	<u>(348,548)</u>	<u>50,584</u>
Total miscellaneous	<u>57,595</u>	<u>57,595</u>	<u>403,933</u>	<u>(346,338)</u>	<u>86,139</u>
Total current	<u>5,916,904</u>	<u>5,916,904</u>	<u>6,085,688</u>	<u>(168,784)</u>	<u>5,656,660</u>
Capital outlay					
General government					
Technology network	42,000	42,000	-	42,000	-
Elections	10,000	10,000	7,777	2,223	-
Planning	-	-	14,999	(14,999)	-
Government buildings	100,000	100,000	56,691	43,309	-
Public safety					
Police	62,000	62,000	58,512	3,488	242,641
Fire	25,000	25,000	113,364	(88,364)	1,752
Public works	12,000	12,000	43,767	(31,767)	265,438
Culture and recreation					
Parks	<u>212,000</u>	<u>212,000</u>	<u>182,959</u>	<u>29,041</u>	<u>1,399,231</u>
Total capital outlay	<u>463,000</u>	<u>463,000</u>	<u>478,069</u>	<u>(15,069)</u>	<u>1,909,062</u>
Total Expenditures	<u>6,379,904</u>	<u>6,379,904</u>	<u>6,563,757</u>	<u>(183,853)</u>	<u>7,565,722</u>
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	<u>(239,170)</u>	<u>(239,170)</u>	<u>61,854</u>	<u>301,024</u>	<u>(605,929)</u>
Other Financing Sources (Uses)					
Sale of assets	-	-	12,403	12,403	11,102
Insurance recoveries	5,000	5,000	396,407	391,407	44,895
Transfers in	188,506	188,506	218,430	29,924	234,985
Transfers out	<u>(41,946)</u>	<u>(41,946)</u>	<u>(58,623)</u>	<u>(16,677)</u>	<u>(121,270)</u>
Total Other Financing Sources (Uses)	<u>151,560</u>	<u>151,560</u>	<u>568,617</u>	<u>417,057</u>	<u>169,712</u>
Net Change in Fund Balances	<u>(87,610)</u>	<u>(87,610)</u>	<u>630,471</u>	<u>718,081</u>	<u>(436,217)</u>
Fund Balances, January 1	<u>5,491,854</u>	<u>5,491,854</u>	<u>5,491,854</u>	<u>-</u>	<u>5,928,071</u>
Fund Balances, December 31	<u>\$ 5,404,244</u>	<u>\$ 5,404,244</u>	<u>\$ 6,122,325</u>	<u>\$ 718,081</u>	<u>\$ 5,491,854</u>

**City of New Prague, Minnesota**

Debt Service Funds  
Combining Balance Sheet  
December 31, 2024

	<b>380</b>	<b>375</b>	<b>395</b>	<b>311</b>	<b>315</b>	<b>316</b>	<b>317</b>
	HRA -				2013B		
	Senior Housing	2007 CIP	2009 CIP	2011 CIP	Refunding Bonds	2014 CIP	2015 CIP
<b>Assets</b>							
Cash and temporary investments	\$ 11,709	\$ -	\$ 53,505	\$ 302,354	\$ 492,578	\$ 224,832	\$ 149,778
Receivables							
Notes	-	-	-	-	466,666	-	-
Special assessments	-	-	10,575	13,151	-	93,335	48,391
Intergovernmental	-	-	-	-	367	-	502
Total Assets	<u>\$ 11,709</u>	<u>\$ -</u>	<u>\$ 64,080</u>	<u>\$ 315,505</u>	<u>\$ 959,611</u>	<u>\$ 318,167</u>	<u>\$ 198,671</u>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	-	10,575	13,151	-	93,335	48,391
<b>Fund Balances</b>							
Restricted for							
Debt service	<u>11,709</u>	<u>-</u>	<u>53,505</u>	<u>302,354</u>	<u>959,611</u>	<u>224,832</u>	<u>150,280</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,709</u>	<u>\$ -</u>	<u>\$ 64,080</u>	<u>\$ 315,505</u>	<u>\$ 959,611</u>	<u>\$ 318,167</u>	<u>\$ 198,671</u>

<b>318</b> TIF New Prague Senior Housing	<b>319</b> 2019 CIP	<b>320</b> 2020A Refunding Bonds	<b>321</b> CIP 2020 - 2021	<b>322</b> CIP 2022	<b>323</b> CIP 2023	<b>324</b> CIP 2024	Totals
\$ 55,420	\$ 796,122	\$ 1,428,773	\$ 255,913	\$ 290,364	\$ 259,570	\$ 127,536	\$ 4,448,454
-	-	-	-	-	-	-	466,666
-	544,036	188,802	473,057	365,527	307,784	607,625	2,652,283
-	-	-	183	613	-	-	1,665
<u>\$ 55,420</u>	<u>\$ 1,340,158</u>	<u>\$ 1,617,575</u>	<u>\$ 729,153</u>	<u>\$ 656,504</u>	<u>\$ 567,354</u>	<u>\$ 735,161</u>	<u>\$ 7,569,068</u>
\$ 53,341	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,466
-	544,036	188,802	473,057	365,527	307,784	607,625	2,652,283
2,079	795,997	1,428,773	256,096	290,977	259,570	127,536	4,863,319
<u>\$ 55,420</u>	<u>\$ 1,340,158</u>	<u>\$ 1,617,575</u>	<u>\$ 729,153</u>	<u>\$ 656,504</u>	<u>\$ 567,354</u>	<u>\$ 735,161</u>	<u>\$ 7,569,068</u>

City of New Prague, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2024

	<b>380</b> HRA - Senior Housing	<b>375</b> 2007 CIP	<b>395</b> 2009 CIP	<b>311</b> 2011 CIP	<b>315</b> 2013B Refunding Bonds	<b>316</b> 2014 CIP	<b>317</b> 2015 CIP
<b>Revenues</b>							
Taxes							
Property taxes	\$ 11,550	\$ -	\$ 16,681	\$ -	\$ 266,595	\$ 68,092	\$ 2,291
Tax increment district taxes	-	-	-	-	-	-	-
Special assessments	-	-	8,837	9,363	367	19,786	12,573
Investment earnings	363	3,212	2,251	11,294	23,755	7,813	5,623
Miscellaneous							
Loan interest	-	-	-	-	13,127	-	-
Total Revenues	<u>11,913</u>	<u>3,212</u>	<u>27,769</u>	<u>20,657</u>	<u>303,844</u>	<u>95,691</u>	<u>20,487</u>
<b>Expenditures</b>							
Current							
Economic development	-	-	-	-	-	-	-
Debt service							
Principal	11,000	-	37,474	4,566	330,000	85,000	30,000
Interest and other	-	-	2,748	3,623	42,877	21,560	7,422
Bond issue costs and fees	-	-	-	-	-	-	-
Total Expenditures	<u>11,000</u>	<u>-</u>	<u>40,222</u>	<u>8,189</u>	<u>372,877</u>	<u>106,560</u>	<u>37,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	913	3,212	(12,453)	12,468	(69,033)	(10,869)	(16,935)
Other Financing Sources (Uses)							
Transfers out	<u>-</u>	<u>(157,661)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	913	(154,449)	(12,453)	12,468	(69,033)	(10,869)	(16,935)
Fund Balances, January 1	<u>10,796</u>	<u>154,449</u>	<u>65,958</u>	<u>289,886</u>	<u>1,028,644</u>	<u>235,701</u>	<u>167,215</u>
Fund Balances, December 31	<u>\$ 11,709</u>	<u>\$ -</u>	<u>\$ 53,505</u>	<u>\$ 302,354</u>	<u>\$ 959,611</u>	<u>\$ 224,832</u>	<u>\$ 150,280</u>

<b>318</b> TIF New Prague Senior Housing	<b>319</b> 2019 CIP	<b>320</b> 2020A Refunding Bonds	<b>321</b> CIP 2020 - 2021	<b>322</b> CIP 2022	<b>323</b> CIP 2023	<b>324</b> CIP 2024	Totals
\$ -	\$ 188,095	\$ 113,159	\$ 27,110	\$ 28,246	\$ 141,170	\$ -	\$ 862,989
112,298	-	-	-	-	-	-	112,298
-	88,245	56,691	74,099	35,947	47,295	124,195	477,398
1,532	24,581	53,969	8,915	8,091	3,310	3,341	158,050
-	-	-	-	-	-	-	13,127
<u>113,830</u>	<u>300,921</u>	<u>223,819</u>	<u>110,124</u>	<u>72,284</u>	<u>191,775</u>	<u>127,536</u>	<u>1,623,862</u>
109,490	-	-	-	-	-	-	109,490
-	220,000	148,057	120,000	30,000	-	-	1,016,097
-	67,947	33,737	55,668	11,250	104,152	-	350,984
-	550	2,125	697	697	300	-	4,369
<u>109,490</u>	<u>288,497</u>	<u>183,919</u>	<u>176,365</u>	<u>41,947</u>	<u>104,452</u>	<u>-</u>	<u>1,480,940</u>
4,340	12,424	39,900	(66,241)	30,337	87,323	127,536	142,922
-	-	-	-	-	-	-	(157,661)
4,340	12,424	39,900	(66,241)	30,337	87,323	127,536	(14,739)
<u>(2,261)</u>	<u>783,573</u>	<u>1,388,873</u>	<u>322,337</u>	<u>260,640</u>	<u>172,247</u>	<u>-</u>	<u>4,878,058</u>
<u>\$ 2,079</u>	<u>\$ 795,997</u>	<u>\$ 1,428,773</u>	<u>\$ 256,096</u>	<u>\$ 290,977</u>	<u>\$ 259,570</u>	<u>\$ 127,536</u>	<u>\$ 4,863,319</u>

City of New Prague, Minnesota  
Discretely Presented Component Unit  
Economic Development Authority  
Combining Balance Sheet  
December 31, 2024

	<b>680</b>	<b>681</b>	
	Economic Development Authority	Economic Development Authority Industrial Park	Totals
<b>Assets</b>			
Cash and temporary investments	\$ 478,883	\$ 198,121	\$ 677,004
Receivables			
Intergovernmental	316	-	316
Land held for resale	-	453,940	453,940
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 479,199</u>	<u>\$ 652,061</u>	<u>\$ 1,131,260</u>
<b>Liabilities</b>			
Accounts payable	2,493	-	2,493
Accrued wages payable	1,144	-	1,144
Total Liabilities	<u>3,637</u>	<u>-</u>	<u>3,637</u>
<b>Fund Balances</b>			
Unrestricted	<u>475,562</u>	<u>652,061</u>	<u>1,127,623</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 479,199</u>	<u>\$ 652,061</u>	<u>\$ 1,131,260</u>
<b>Total Fund Balances - Governmental Funds</b>			<b>\$ 1,127,623</b>

Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	742,244
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net pension liability	(18,145)
Other postemployment benefit liability	(954)
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of resources	4,657
Deferred inflows of resources	(13,384)
Governmental funds do not report long-term amounts related to other postemployment benefits.	
Deferred inflows of other postemployment benefit resources	122
Deferred outflows of other postemployment benefit resources	<u>(259)</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 2,973,164</u></u>



City of New Prague, Minnesota  
Discretely Presented Component Unit  
Economic Development Authority  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2024

	<b>680</b>	<b>681</b>	
	Economic Development Authority	Economic Development Authority Industrial Park	Totals
Revenues			
Taxes	\$ 75,181	\$ -	\$ 75,181
Investment earnings	16,517	7,076	23,593
Total Revenues	<u>91,698</u>	<u>7,076</u>	<u>98,774</u>
Expenditures			
Current			
Economic development	<u>59,035</u>	<u>1,214</u>	<u>60,249</u>
Net Change in Fund Balances	<u>32,663</u>	<u>5,862</u>	<u>38,525</u>
Fund Balances, January 1	442,899	646,199	1,089,098
Fund Balances, December 31	<u>\$ 475,562</u>	<u>\$ 652,061</u>	<u>\$ 1,127,623</u>

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - governmental funds	\$ 38,525
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.

Depreciation expense	(1,773)
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Long-term pension activity is not reported in governmental funds.

Pension expense	(648)
Direct aid contributions	825

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 governmental funds.

Other postemployment benefit costs	<u>(66)</u>
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Change in Net Position - Governmental Activities	<u>\$ 36,863</u>
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City of New Prague, Minnesota  
Summary Financial Report  
Revenues and Expenditures for General Operations -  
Governmental Funds  
For the Years Ended December 31, 2024 and 2023

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Taxes	\$ 4,961,226	\$ 4,946,249	0.30 %
Special assessments	486,373	554,858	(12.34)
Licenses and permits	374,873	321,635	16.55
Intergovernmental	2,378,019	2,659,745	(10.59)
Charges for services	202,561	121,426	66.82
Fines and forfeits	17,861	26,319	(32.14)
Investment earnings	682,500	696,255	(1.98)
Miscellaneous	42,134	151,097	(72.11)
Total Revenues	<u>\$ 9,145,547</u>	<u>\$ 9,477,584</u>	(3.50) %
Per Capita	\$ 1,104	\$ 1,136	(2.84) %
Expenditures			
Current			
General government	\$ 1,270,329	\$ 1,285,787	(1.20) %
Public safety	2,644,816	2,338,316	13.11
Public works	960,675	1,100,471	(12.70)
Culture and recreation	855,533	856,231	(0.08)
Economic development	109,490	109,139	0.32
Miscellaneous	403,933	86,379	367.63
Capital outlay			
General government	79,467	-	100.00
Public safety	573,395	244,393	134.62
Public works	2,708,009	2,469,789	9.65
Culture and recreation	200,055	1,399,231	(85.70)
Debt service			
Principal	1,016,097	1,029,314	(1.28)
Interest and other	350,984	284,622	23.32
Bond issuance costs and fees	48,395	55,430	(12.69)
Total Expenditures	<u>\$ 11,221,178</u>	<u>\$ 11,259,102</u>	(0.34) %
Per Capita	\$ 1,355	\$ 1,350	0.35 %
Total long-term indebtedness	\$ 10,813,749	\$ 9,659,846	11.95 %
Per Capita	1,306	1,158	12.72
General fund balance - December 31	\$ 6,122,325	\$ 5,491,854	11.48 %
Per Capita	739	659	12.25

The purpose of this report is to provide a summary of financial information concerning the City of New Prague to interested citizens. The complete financial statements may be examined at 118 Central Avenue North. Questions about this report should be directed to Joshua Tetzlaff, City Administrator at 952-758-4401.

OTHER REQUIRED REPORTS

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council  
City of New Prague, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, the each major fund and the aggregate remaining fund information of the City of New Prague, Minnesota, (the City) as of and for the year ended December 31, 2024, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2025.

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

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



**Abdo**  
Mankato, Minnesota  
March 24, 2025

**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 New Prague, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of New Prague, Minnesota (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify one deficiency in internal control that we consider to be material weaknesses described in the accompanying Schedule of Findings and Responses as item 2024-002. We identified two items, 2024-001 and 2024-003, that we consider to be a significant deficiencies.

**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*.

## Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, and Responses. The City's responses are not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## 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.



**Abdo**  
Mankato, Minnesota  
March 24, 2025



City of New Prague, Minnesota  
Schedule of Findings and Responses  
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
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<b>2024-001</b>	<b>Segregation of Duties</b>
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During our audit we reviewed internal control procedures over payroll, disbursements, cash receipts, utility billing and investments and found the City to have limited segregation of duties in these areas as noted below.

**Internal Control Over Cash Receipts**

*Cause:* The City does not have consistent oversight related to the golf course cash receipt activity.

*Recommendation:* We recommend the City review current controls and implement additional procedures to provide further oversight of the golf course.

*Management Response:*

The City is aware of the inconsistencies at the golf course and will review current procedures and implement new controls where possible.

<b>2024-002</b>	<b>Material Audit Adjustments</b>
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*Condition:* Adjustments were needed to allocate capital project activity for the 2025 street project.

*Criteria:* The financial statements are the responsibility of the City's management.

*Cause:* The financial statements required material audit adjustments to be reasonably stated.

*Effect:* This indicated that it would be likely that a misstatement may occur and not be detected by the City's system of internal control. The audit firm cannot serve as a compensating control over this deficiency.

*Recommendation:* We recommend that management review large capital projects and obtain project breakouts from the engineer on a regular basis.

*Management response:*

The City will review the adjustments necessary and try to eliminate these entries in the future.



City of New Prague, Minnesota  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
<b>2024-003</b>	<b>PERA Enrollment</b>
<i>Condition:</i>	The status of employees who were no longer employed by the City were not properly updated within the PERA system.
<i>Criteria:</i>	Employees are required to be terminated within the PERA system upon termination from the City.
<i>Cause:</i>	It appears the City did not review terminated employees within the PERA system. Ultimately it is the City's responsibility to ensure they are terminated within the PERA system.
<i>Effect:</i>	As a result the City did not terminate employees within the PERA system. This could skew the calculation for pension liability.
<i>Recommendation:</i>	We recommend that management review employees within the PERA system to ensure their status is accurate.
<i>Management response:</i>	
The City will review the employees within the PERA system and adjust status as needed.	

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OPERATIONAL STATISTICS AND  
SUPPLEMENTARY SCHEDULES (UNAUDITED)

CITY OF NEW PRAGUE  
NEW PRAGUE, MINNESOTA

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023

New Prague Utilities Commission  
New Prague, Minnesota  
Electric Utility Fund  
Schedules of Operating Revenues  
(Unaudited)  
For the Years Ended December 31, 2024 and 2023

	2024		
	K.W.H. Sold	Income	Average Income Per K.W.H. Sold
Type of Service			
Residential	26,654,741	\$ 4,220,675	\$ 0.15835
Commercial phase 1	1,965,305	659,330	0.33548
Commercial phase 3	2,021,256	-	-
Commercial interruptible	89,400	8,990	0.10056
Small industrial	21,451,340	1,892,282	0.08821
Industrial	1,067,624	2,489,544	2.33185
Other departments	292,720	125,246	0.42787
Street lights	-	53,588	-
Security lights	-	5,300	-
Unbilled revenue	-	31,671	-
Total Sales	<u>53,542,386</u>	<u>\$ 9,486,626</u>	<u>\$ 0.17718</u>
Total K.W.H. - Generated	956,100		
Total K.W.H. - Purchases	<u>71,117,207</u>		
Total K.W.H.	<u>72,073,307</u>		
Distribution Lost	<u>18,530,921</u>		
Percentage of Distribution Lost	<u>25.7%</u>		
Cost of Power Purchased	<u>\$ 6,709,639</u>		
Average Cost Per K.W.H. Purchased	<u>\$ 0.09435</u>		

2023		
K.W.H. Sold	Income	Average Income Per K.W.H. Sold
28,311,052	\$ 4,209,140	\$ 0.14867
2,104,161	615,990	0.29275
1,874,274	-	-
123,000	11,623	0.09450
15,530,382	1,835,814	0.11821
21,835,800	2,383,440	0.10915
1,265,866	142,813	0.11282
424,992	64,064	0.15074
-	5,011	-
-	(101,666)	-
<u>71,469,527</u>	<u>\$ 9,166,229</u>	<u>\$ 0.12825</u>
807,700		
<u>72,260,959</u>		
<u>73,068,659</u>		
<u>1,599,132</u>		
<u>2.2%</u>		
<u>\$ 6,638,267</u>		
<u>\$ 0.09187</u>		

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New Prague Utilities Commission  
New Prague, Minnesota  
Water Fund  
Schedules of Operations Statement Per 1,000 Gallons  
(Unaudited)  
For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Water sales		
Residential	\$ 5.67094	\$ 5.34928
Commercial	2.06843	2.50004
Other departments	0.04690	0.01067
Unbilled revenue	0.01400	(0.04291)
Other operating revenues	0.07625	0.07706
Total Operating Revenues	<u>7.87652</u>	<u>7.89415</u>
Operating Expenses		
Power for pumping	0.48346	0.55406
Maintenance - wells, pumps, and storage facilities	0.09472	0.05607
Maintenance - water main	0.02025	0.10131
Purification	0.25076	0.28937
Distribution	1.36583	1.32241
Salaries	0.79623	0.74694
General expenses	0.24001	0.24698
Professional fees	0.16463	0.07181
Insurance	0.17611	0.09341
Employee pension and benefits	0.22267	0.47674
Maintenance - general property	0.20731	0.07838
Depreciation	2.29617	1.82176
Total Operating Expenses	<u>6.31815</u>	<u>5.85924</u>
Operating Income	<u>1.55837</u>	<u>2.03491</u>
Nonoperating Income (Expenses)		
Investment income (loss)	0.53401	0.38358
State aid	0.03419	0.00015
Other income	0.05748	0.06951
Water meter income	0.02585	0.02838
Hookup fees	0.20683	0.14248
Water access charges	-	0.01703
Special assessments	1.36895	0.39075
Intergovernmental	0.13248	-
Interest expense	(0.55947)	(0.44897)
Bond issuance costs	(0.07412)	(0.06329)
Amortization expense	0.15291	0.13048
Total Nonoperating Income (Expenses)	<u>1.87911</u>	<u>0.65010</u>
Change in Net Position	<u>\$ 3.43748</u>	<u>\$ 2.68501</u>
1,000 Gallons Sold	<u>225,136</u>	<u>237,904</u>

New Prague Utilities Commission  
New Prague, Minnesota  
Electric Utility Fund  
Schedule of Plant Assets and Accumulated Depreciation  
(Unaudited)  
For the Year Ended December 31, 2024

	Cost				
	Balance December 31, 2023	Asset Transferred from City	Additions	Disposals	Balance December 31, 2024
Land	\$ 41,648	\$ -	\$ -	\$ -	\$ 41,648
Construction in progress	247,252	-	559,595	227,375	579,472
Production plant					
Structures and improvements	3,787,143	-	5,648	-	3,792,791
Boilers and generators	5,527,534	-	-	-	5,527,534
Total Production Plant	9,314,677	-	5,648	-	9,320,325
Transmission and distribution system					
Transmission station equipment	601,833	-	-	-	601,833
Overhead conductors, poles and fixtures	87,734	-	-	-	87,734
Distribution station equipment	832,234	-	-	-	832,234
Poles, towers, and fixtures	204,140	-	-	-	204,140
Overhead conductors and devices	678,998	-	-	-	678,998
Underground conductors and devices	6,038,780	-	91,400	-	6,130,180
Line transformers	2,057,276	-	47,719	-	2,104,995
Services	379,202	-	52,933	-	432,135
Electric meters	1,073,653	-	(812)	-	1,072,841
Fiber Optic	89,760	-	9,096	-	98,856
Street lighting	1,717,237	-	2,721	-	1,719,958
Load management	97,715	-	6,758	-	104,473
SCADA system	123,865	-	-	-	123,865
Total transmission and distribution system	13,982,427	-	209,815	-	14,192,242
General plant					
Structures and improvement	224,059	-	-	-	224,059
Office furniture and fixtures	89,730	-	-	-	89,730
Transportation equipment	1,840,571	-	100,311	20,745	1,920,137
Shop equipment	56,994	-	-	-	56,994
Tools and work equipment	237,583	-	-	-	237,583
Miscellaneous work equipment	97,109	-	-	-	97,109
Total general plant	2,546,046	-	100,311	20,745	2,625,612
Total Electric Plant Assets	\$ 26,132,050	\$ -	\$ 875,369	\$ 248,120	\$ 26,759,299



Accumulated Depreciation					
Balance December 31, 2023	Asset Transferred from City	Current Year Depreciation	Disposals	Balance December 31, 2024	Depreciated Value December 31, 2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,648
-	-	-	-	-	579,472
1,254,349	-	84,506	-	1,338,855	2,453,936
5,465,836	-	10,570	-	5,476,406	51,128
6,720,185	-	95,076	-	6,815,261	2,505,064
510,775	-	13,031	-	523,806	78,027
87,070	-	182	-	87,252	482
663,816	-	22,620	-	686,436	145,798
196,225	-	1,415	-	197,640	6,500
582,361	-	17,201	-	599,562	79,436
3,177,906	-	211,778	-	3,389,684	2,740,496
859,772	-	64,352	-	924,124	1,180,871
130,007	-	10,887	-	140,894	291,241
456,813	-	59,403	-	516,216	556,625
3,650	-	1,083	-	4,733	94,123
571,839	-	71,977	-	643,816	1,076,142
62,049	-	13,526	-	75,575	28,898
113,080	-	1,477	-	114,557	9,308
7,415,363	-	488,932	-	7,904,295	6,287,947
188,825	-	3,635	-	192,460	31,599
62,066	-	16,251	-	78,317	11,413
1,098,354	-	141,772	20,745	1,219,381	700,756
56,994	-	-	-	56,994	-
236,918	-	275	-	237,193	390
59,067	-	4,755	-	63,822	33,287
1,702,224	-	166,688	20,745	1,848,167	777,445
<u>\$ 15,837,772</u>	<u>\$ -</u>	<u>\$ 750,696</u>	<u>\$ 20,745</u>	<u>\$ 16,567,723</u>	<u>\$ 10,191,576</u>

New Prague Utilities Commission  
New Prague, Minnesota  
Water Utility Fund  
Schedule of Plant Assets and Accumulated Depreciation  
(Unaudited)  
For the Year Ended December 31, 2024

	Cost				
	Balance December 31, 2023	Asset Transferred from City	Additions	Disposals	Balance December 31, 2024
Land	\$ 79,520	\$ -	\$ -	\$ -	\$ 79,520
Construction in progress	133,434	-	938,406	1,020,208	51,632
Production plant					
Wells, pumps and pump house	2,197,186	-	-	-	2,197,186
Building	2,449,285	-	5,648	-	2,454,933
Water treatment building	53,117	-	15,000	-	68,117
Water treatment equipment	1,253,269	-	-	-	1,253,269
Total Production Plant	5,952,857	-	20,648	-	5,973,505
Distribution system					
Elevated storage tank	1,988,570	-	-	-	1,988,570
Reservoirs	732,530	-	-	-	732,530
Distribution system	7,212,617	-	886,774	-	8,099,391
Water meters	1,123,147	-	4,131	-	1,127,278
PRU valves	903	-	-	-	903
Main Street water treatment upgrade	215,848	-	-	-	215,848
SCADA system	218,512	-	133,434	-	351,946
Total Distribution System	11,492,127	-	1,024,339	-	12,516,466
General plant					
Building improvements - office	5,534	-	-	-	5,534
Office furniture and fixtures	29,980	-	-	-	29,980
Transportation equipment	266,272	-	-	-	266,272
Miscellaneous equipment	39,308	-	-	-	39,308
Unearned maintenance	24,794	-	-	-	24,794
Shop equipment	1,418	-	-	-	1,418
Total General Plant	367,306	-	-	-	367,306
Total Water Plant Assets	\$ 18,025,244	\$ -	\$ 1,983,393	\$ 1,020,208	\$ 18,988,429

Accumulated Depreciation					
Balance December 31, 2023	Asset Transferred from City	Current Year Depreciation	Disposals	Balance December 31, 2024	Depreciated Value December 31, 2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,520
-	-	-	-	-	51,632
2,004,719	-	38,633	-	2,043,352	153,834
1,058,427	-	82,891	-	1,141,318	1,313,615
38,060	-	1,274	-	39,334	28,783
1,130,125	-	45,108	-	1,175,233	78,036
4,231,331	-	167,906	-	4,399,237	1,574,268
1,145,034	-	60,260	-	1,205,294	783,276
454,808	-	23,906	-	478,714	253,816
1,837,087	-	174,963	-	2,012,050	6,087,341
540,052	-	54,815	-	594,867	532,411
586	-	36	-	622	281
183,077	-	5,958	-	189,035	26,813
184,713	-	4,674	-	189,387	162,559
4,345,357	-	324,612	-	4,669,969	7,846,497
3,940	-	138	-	4,078	1,456
24,842	-	1,312	-	26,154	3,826
181,440	-	19,745	-	201,185	65,087
34,997	-	3,238	-	38,235	1,073
24,794	-	-	-	24,794	-
1,418	-	-	-	1,418	-
271,431	-	24,433	-	295,864	71,442
\$ 8,848,119	\$ -	\$ 516,951	\$ -	\$ 9,365,070	\$ 9,623,359