

# **ANNUAL FINANCIAL REPORT**

CITY OF JORDAN  
JORDAN, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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

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INTRODUCTORY SECTION

CITY OF JORDAN  
JORDAN, MINNESOTA

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City of Jordan, Minnesota  
Elected and Appointed Officials  
For the Year Ended December 31, 2024

**Elected**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mike Franklin	Mayor	12/31/24
Jeremiah Monyok	Council	12/31/24
Scott Penney	Council	12/31/26
Robert Whipps	Council	12/31/24
Jeremy Goebel	Council	12/31/26
Amanda Schuh	Council	12/31/26
Travis Fremming	Council	12/31/24

**Appointed**

Tom Nikunen	Administrator/Clerk/Treasurer
Morey Schaefer	Finance Director

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FINANCIAL SECTION

CITY OF JORDAN  
JORDAN, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Jordan, Minnesota

### 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 Jordan, 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 accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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 and 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, and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios starting on page 82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### **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 and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 combining and 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 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 June 23, 2025 on our consideration of the City's internal control over financial reporting and 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 and should be considered in assessing the results of our audit.



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Mankato, Minnesota  
June 23, 2025



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## **Management's Discussion and Analysis**

As management of the City of Jordan, 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 of 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 City's total net position increased as shown in the summary of changes in net position table on the following pages.
- 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.

### **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**

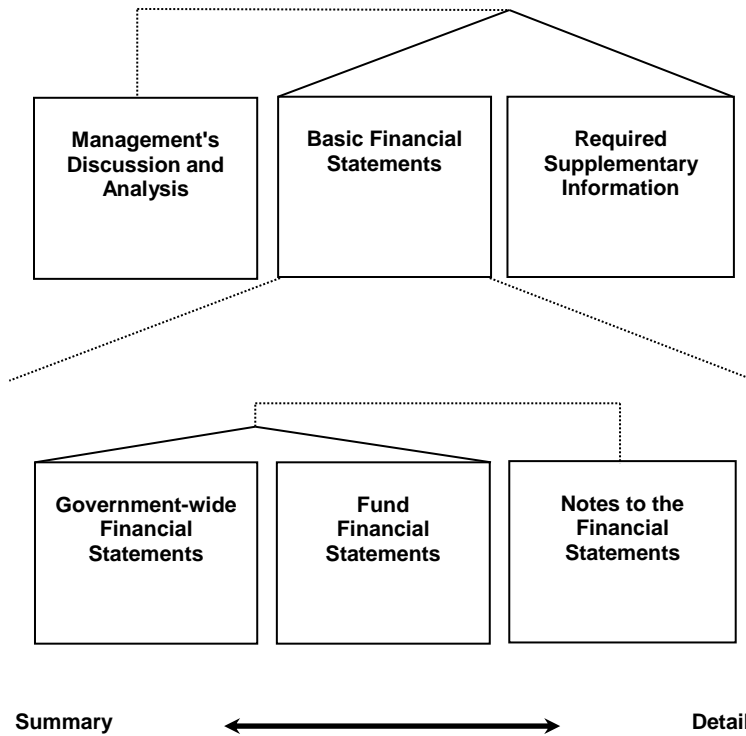


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	<b>Fund Financial Statements</b>		
	<b>Government-wide 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>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Net Position</li> <li>• Statement 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, economic development, culture and recreation and miscellaneous. The business-type activities of the City include water, sewer and storm sewer operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. The EDA, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found starting on page 31 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 of 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 fund for financial reporting purposes. 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 fund, the Debt Service fund and the 2024 Street Project 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. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 36 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, sewer and storm sewer 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 41 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 45 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Jordan’s share of net pension liabilities for defined benefit plans and schedules of contributions. Required supplementary information can be found starting on page 82 of this report.

**Supplementary 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 92 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 at the close of the most recent fiscal year.

By far, the largest portion of the City’s net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are 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 Jordan’s Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 12,640,401	\$ 11,820,179	\$ 820,222	\$ 7,779,296	\$ 6,524,144	\$ 1,255,152
Capital assets	25,909,346	24,262,812	1,646,534	33,359,062	33,440,090	(81,028)
Total Assets	<u>38,549,747</u>	<u>36,082,991</u>	<u>2,466,756</u>	<u>41,138,358</u>	<u>39,964,234</u>	<u>1,174,124</u>
Deferred Outflows of Resources	<u>2,011,985</u>	<u>2,535,210</u>	<u>(523,225)</u>	<u>46,946</u>	<u>87,508</u>	<u>(40,562)</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	10,806,193	10,711,162	95,031	9,533,879	10,172,839	(638,960)
Other liabilities	1,346,199	746,217	599,982	564,957	159,998	404,959
Net pension liability	1,331,766	1,905,295	(573,529)	237,680	347,797	(110,117)
Total Liabilities	<u>13,484,158</u>	<u>13,362,674</u>	<u>121,484</u>	<u>10,336,516</u>	<u>10,680,634</u>	<u>(344,118)</u>
Deferred Inflows of Resources	<u>2,660,040</u>	<u>2,914,973</u>	<u>(254,933)</u>	<u>1,089,223</u>	<u>1,069,825</u>	<u>19,398</u>
<b>Net Position</b>						
Net investment in capital assets	14,869,133	13,751,025	1,118,108	23,478,967	23,307,153	171,814
Restricted	4,410,991	4,233,606	177,385	8,724,887	7,433,271	1,291,616
Unrestricted	<u>5,137,410</u>	<u>4,355,923</u>	<u>781,487</u>	<u>(2,444,289)</u>	<u>(2,439,141)</u>	<u>(5,148)</u>
Total Net Position	<u>\$ 24,417,534</u>	<u>\$ 22,340,554</u>	<u>\$ 2,076,980</u>	<u>\$ 29,759,565</u>	<u>\$ 28,301,283</u>	<u>\$ 1,458,282</u>
<b>Net Position as a Percent of Total</b>						
Net investment in capital assets	60.9 %	61.6 %		78.9 %	82.4 %	
Restricted	18.1	19.0		29.3	26.3	
Unrestricted	<u>21.0</u>	<u>19.4</u>		<u>(8.2)</u>	<u>(8.7)</u>	
Total	<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. Key elements of this increase are as follows:

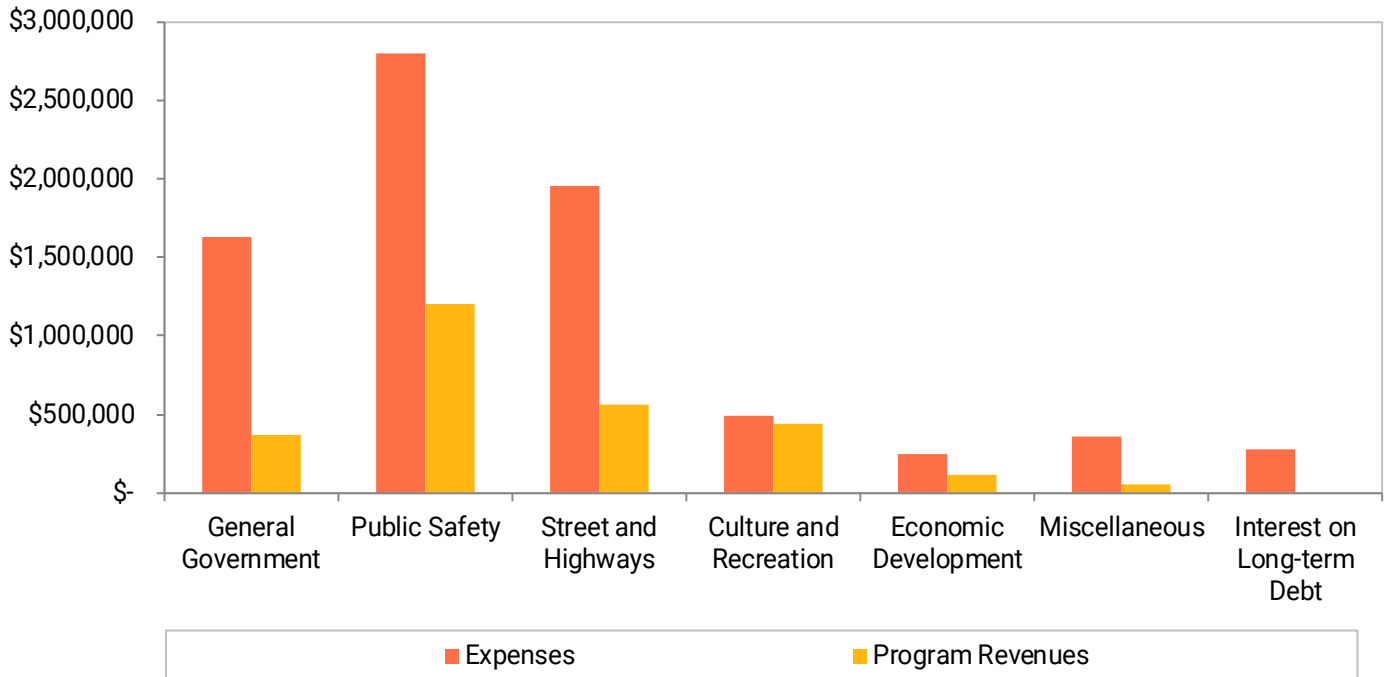
### City of Jordan's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 1,211,619	\$ 934,658	\$ 276,961	\$ 3,361,247	\$ 3,503,870	\$ (142,623)
Operating grants and contributions	604,422	720,011	(115,589)	11,101	42	11,059
Capital grants and contributions	919,572	499,617	419,955	1,136,954	481,381	655,573
General Revenues						
Property taxes/franchise taxes/tax increments	5,775,755	5,812,132	(36,377)	-	-	-
Other taxes	61,372	68,470	(7,098)	-	-	-
Grants and contributions not restricted to specific programs	706,151	551,284	154,867	-	-	-
Unrestricted investment earnings (loss)	371,236	220,085	151,151	259,829	181,198	78,631
Gain on sale of capital assets and other	109,750	45,121	64,629	-	-	-
<b>Total Revenues</b>	<b>9,759,877</b>	<b>8,851,378</b>	<b>908,499</b>	<b>4,769,131</b>	<b>4,166,491</b>	<b>602,640</b>
Expenses						
General government	1,625,727	1,566,202	59,525	-	-	-
Public safety	2,799,827	3,122,554	(322,727)	-	-	-
Streets and highways	1,948,816	2,642,489	(693,673)	-	-	-
Culture and recreation	488,925	361,466	127,459	-	-	-
Economic development	245,100	241,245	3,855	-	-	-
Miscellaneous	352,688	317,707	34,981	-	-	-
Interest on long-term debt	271,814	244,705	27,109	-	-	-
Water utility	-	-	-	1,283,639	1,133,506	150,133
Sewer utility	-	-	-	1,766,919	1,698,740	68,179
Storm sewer utility	-	-	-	210,291	202,886	7,405
<b>Total Expenses</b>	<b>7,732,897</b>	<b>8,496,368</b>	<b>(763,471)</b>	<b>3,260,849</b>	<b>3,035,132</b>	<b>225,717</b>
Change in Net Position						
Before Transfers and Contributions	2,026,980	355,010	1,671,970	1,508,282	1,131,359	376,923
Transfers	50,000	50,000	-	(50,000)	(50,000)	-
Capital Contributions	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>2,076,980</b>	<b>405,010</b>	<b>1,671,970</b>	<b>1,458,282</b>	<b>1,081,359</b>	<b>376,923</b>
Net Position - January 1	22,340,554	21,520,137	820,417	28,301,283	27,219,924	1,081,359
Prior Period Adjustment	-	415,407	(415,407)	-	-	-
<b>Net Position - December 31</b>	<b>\$ 24,417,534</b>	<b>\$ 22,340,554</b>	<b>\$ 2,076,980</b>	<b>\$ 29,759,565</b>	<b>\$ 28,301,283</b>	<b>\$ 1,458,282</b>

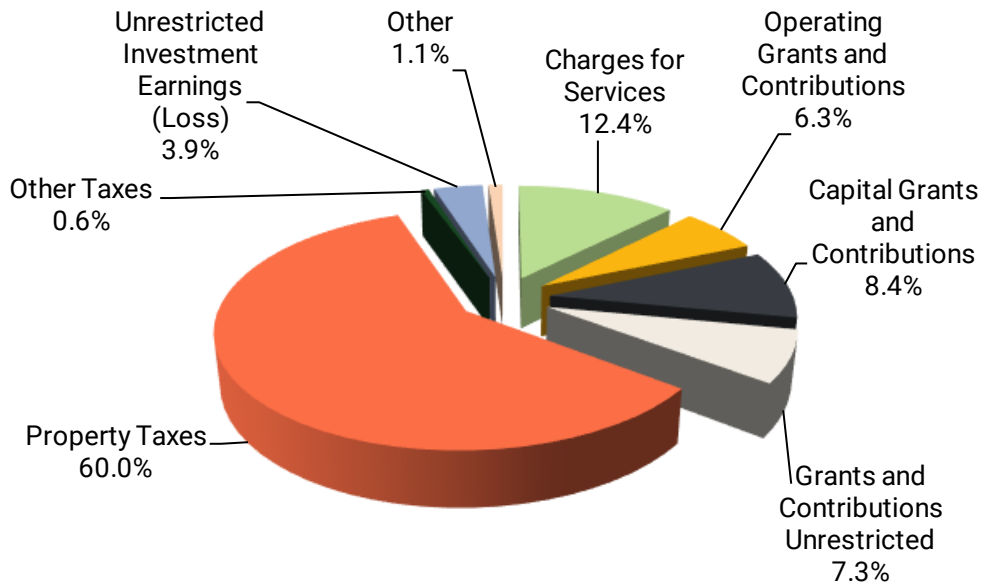
Total property tax levies decreased 0.8 percent during 2024. Levies for debt service decreased by \$43,771 while general levies did not change.

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

### Expenses and Program Revenues - Governmental Activities



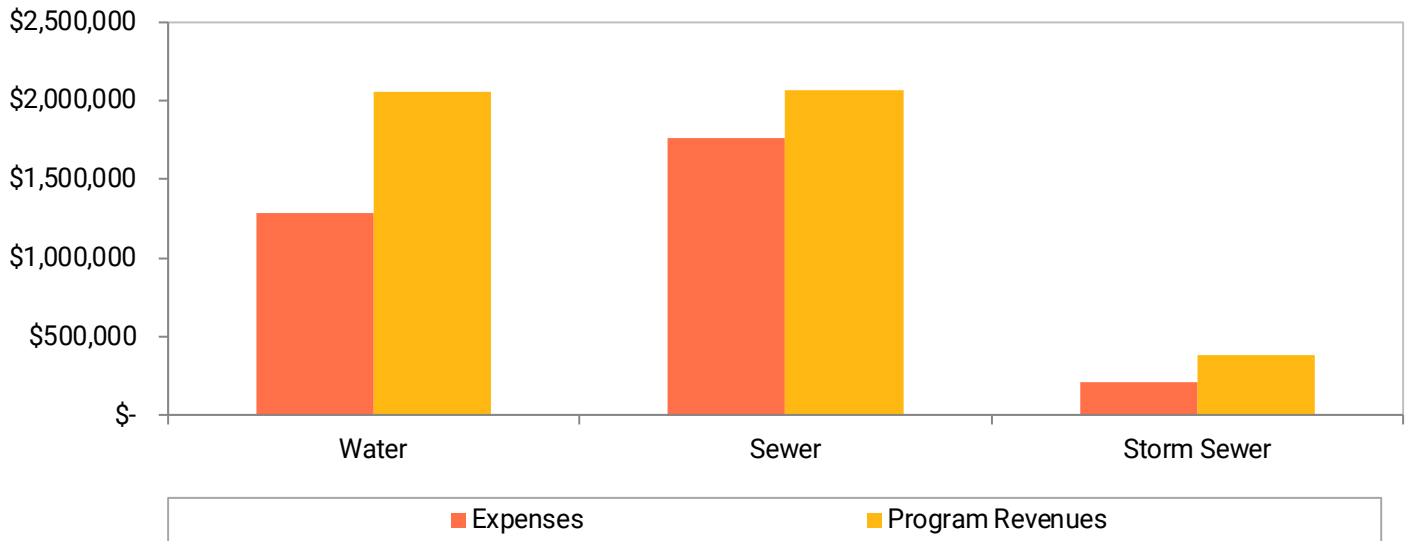
### Revenues by Source - Governmental Activities



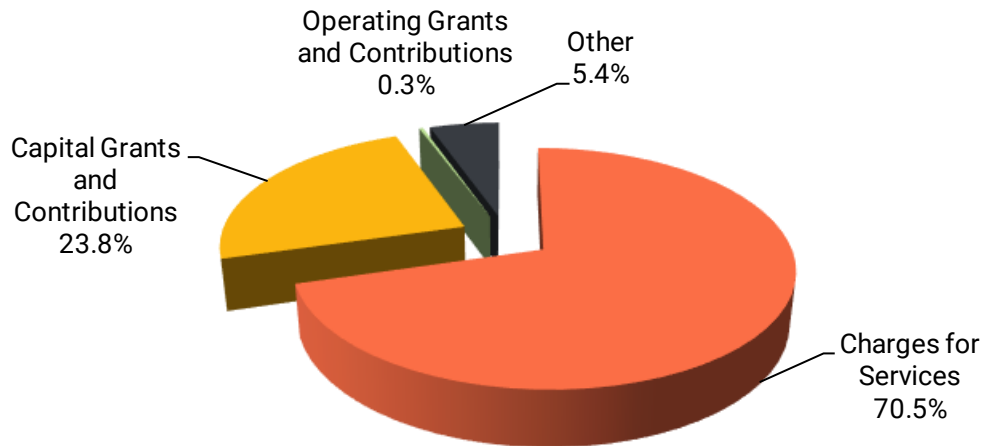
**Business-type Activities.** Business-type activities increased the City’s net position as shown in the changes in net position table. Key elements of this increase are as follows:

- Charges for services increased from the previous year due to rate changes and increased users.
- Overall expenses increased from the previous year due to inflationary pressures and maintenance costs.

**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	2024 Street Project	Other Governmental Funds	Total	Prior Year Total	Increase (Decrease)
Fund Balances							
Nonspendable	\$ -	\$ -	\$ -	\$ 61,000	\$ 61,000	\$ 7,157	\$ 53,843
Restricted	-	2,819,458	200,622	718,368	3,738,448	3,520,643	217,805
Committed	-	-	-	2,753,231	2,753,231	2,748,474	4,757
Assigned	-	-	-	494,621	494,621	631,144	(136,523)
Unassigned	4,242,092	-	-	(1,363,352)	2,878,740	2,733,277	145,463
Total	<u>\$ 4,242,092</u>	<u>\$ 2,819,458</u>	<u>\$ 200,622</u>	<u>\$ 2,663,868</u>	<u>\$ 9,926,040</u>	<u>\$ 9,640,695</u>	<u>\$ 285,345</u>

The *General fund* is the chief operating fund of the City. At the end of the current year, the unassigned 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 expenditures. The total unassigned 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	\$ -	\$ 7,157	\$ (7,157)
Unassigned	4,242,092	3,869,082	373,010
Total	<u>\$ 4,242,092</u>	<u>\$ 3,876,239</u>	<u>\$ 365,853</u>
General Fund Expenditures	\$ 5,421,863	\$ 5,165,284	
Unassigned as a Percent of Expenditures	78.2%	74.9%	
Total Fund Balance as a Percent of Expenditures	78.2%	75.0%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above mainly due to conservative budgeting, healthy development and a decrease in overall expenditures.

Other major governmental fund analysis is shown below:

	December 31 2024	December 31 2023	Increase (Decrease)
Debt Service fund	\$ 2,819,458	\$ 2,601,343	\$ 218,115
<i>The Debt Service fund increase is due to transfers in and tax levies exceeding regularly scheduled debt payments.</i>			
2024 Street Project	200,622	(101,815)	302,437
<i>The 2024 Street Project fund increase is due to the new bond proceeds used for capital expenditures.</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:

	Ending Net Position 2024	Ending Net Position 2023	Increase/ (Decrease)
Water Utility	\$ 13,752,008	\$ 12,899,394	\$ 852,614
<i>The increase primarily is attributed to contributions from user, connection fees and capital charges.</i>			
Sewer Utility	9,604,212	9,221,908	382,304
<i>The increase primarily is attributed to contributions from user, connection fees and capital charges.</i>			
Stormwater Utility	6,403,345	6,179,981	223,364
<i>The increase primarily is attributed to contributions from capital charges.</i>			

**General Fund Budgetary Highlights**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 5,865,158	\$ 5,865,158	\$ 6,904,799	\$ 1,039,641
Expenditures	5,481,714	5,481,714	5,421,863	59,851
Excess of Revenues Over Expenditures	383,444	383,444	1,482,936	1,099,492
Other Financing Sources (Uses)				
Sale of capital assets	1,500	1,500	4,070	2,570
Transfers in	65,000	65,000	-	(65,000)
Transfers out	(449,873)	(449,873)	(1,121,153)	(671,280)
Total Other Financing Sources (Uses)	(383,373)	(383,373)	(1,117,083)	(733,710)
Net Change in Fund Balances	71	71	365,853	365,782
Fund Balances, January 1	3,876,239	3,876,239	3,876,239	-
Fund Balances, December 31	\$ 3,876,310	\$ 3,876,310	\$ 4,242,092	\$ 365,782

The City’s General fund budget was not amended during the year.

**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 capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total change in the City’s investment in capital assets for the current fiscal year is noted below.

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

- 2024 Street Improvements
- Pauly Park Playground
- Baseball Improvements
- Broadway Parking Lot
- Water Plant and Fire Station Roof
- Public Works and Public Safety Vehicles
- WWTP Control System Improvements
- Grassman Park Sprinklers

Additional information on the City’s capital assets can be found in Note 3C starting on page 57 of this report.

**City of Jordan's Capital Assets**  
(Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase Increase
Land	\$ 2,642,904	\$ 2,724,237	\$ (81,333)	\$ 570,184	\$ 570,184	\$ -
Buildings	5,370,758	5,609,614	(238,856)	-	-	-
Improvements Other than Buildings	-	-	-	6,424,207	6,516,796	(92,589)
Machinery and Equipment	436,120	466,766	(30,646)	38,728	75,817	(37,089)
Vehicles	610,245	698,853	(88,608)	-	-	-
Infrastructure	13,298,317	12,800,062	498,255	25,448,312	26,234,815	(786,503)
Construction in Progress	3,551,002	1,963,280	1,587,722	877,631	42,478	835,153
<b>Total</b>	<b>\$ 25,909,346</b>	<b>\$ 24,262,812</b>	<b>\$ 1,646,534</b>	<b>\$ 33,359,062</b>	<b>\$ 33,440,090</b>	<b>\$ (81,028)</b>
Percent Change	6.8 %			(0.2) %		

**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 Jordan's Outstanding Debt**

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease) Increase
General Obligation Bonds	\$ 9,114,000	\$ 8,865,000	\$ 249,000	\$ -	\$ -	\$ -
General Obligation Improvement Bonds	590,000	765,000	(175,000)	-	-	-
General Obligation Tax Abatement Bonds	535,000	580,000	(45,000)	-	-	-
General Obligation Revenue Bonds	-	-	-	9,115,000	9,725,000	(610,000)
<b>Total</b>	<b>\$ 10,239,000</b>	<b>\$ 10,210,000</b>	<b>\$ 29,000</b>	<b>\$ 9,115,000</b>	<b>\$ 9,725,000</b>	<b>\$ (610,000)</b>

The City's total debt decreased during the current fiscal year due to regularly scheduled principal payments.

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.

The City's bond rating was AA+ as of the end of the year.

Additional information on the City's long-term debt can be found in Note 3F starting on page 71 of this report.

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

- The December 2024 unemployment rate for Scott County was 2.7 percent, an increase from 2.4 percent a year ago. This compares favorably to the State's average unemployment rate of 2.8 percent and the national average rate of 3.6 percent.
- Property valuations within the City remain strong.
- Inflationary trends in the region compare favorably to national indices.
- The city updates the 2024 utility rates, which is subsequently projected to result in an increase ranging from 2 to 5 percent for 2025 utility rates, except for water rate which is expected to decrease by 3 percent.

All of these factors were considered in preparing the City's budget for the 2024 fiscal year.

## **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 Jordan, 210 East First Street, Jordan, Minnesota 55352-1598.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF JORDAN  
JORDAN, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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City of Jordan, 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	\$ 11,205,283	\$ 6,603,212	\$ 17,808,495	\$ 300,088
Receivables				
Interest	9,410	-	9,410	-
Delinquent taxes	14,832	-	14,832	-
Accounts	117,004	202,275	319,279	-
Notes	-	-	-	154,368
Special assessments	418,842	-	418,842	-
Intergovernmental	197,311	27,810	225,121	457
Lease	-	945,999	945,999	-
Land held for resale	61,000	-	61,000	321,273
Net pension asset	616,719	-	616,719	-
Capital assets				
Nondepreciable	6,193,906	1,447,815	7,641,721	-
Depreciable, net of accumulated depreciation	19,715,440	31,911,247	51,626,687	12,483
Total Assets	<u>38,549,747</u>	<u>41,138,358</u>	<u>79,688,105</u>	<u>788,669</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension resources	<u>2,011,985</u>	<u>46,946</u>	<u>2,058,931</u>	<u>-</u>
<b>Liabilities</b>				
Accounts and contracts payable	1,006,914	432,647	1,439,561	-
Due to other governments	44,884	1,436	46,320	-
Accrued interest payable	125,758	113,373	239,131	-
Accrued salaries payable	126,646	17,501	144,147	-
Deposits payable	41,997	-	41,997	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	1,254,946	693,364	1,948,310	-
Due in more than one year				
Long-term liabilities	9,551,247	8,840,515	18,391,762	-
Net pension liability	1,331,766	237,680	1,569,446	-
Total Liabilities	<u>13,484,158</u>	<u>10,336,516</u>	<u>23,820,674</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension resources	2,216,513	198,393	2,414,906	-
Deferred lease resources	-	890,830	890,830	-
Advance from other governments	443,527	-	443,527	-
Total Deferred Inflows of Resources	<u>2,660,040</u>	<u>1,089,223</u>	<u>3,749,263</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	14,869,133	23,478,967	38,348,100	12,483
Restricted				
Pensions	616,719	-	616,719	-
Debt service	3,075,904	-	3,075,904	-
Capital outlay/connections	434,516	8,724,887	9,159,403	-
Economic development	264,774	-	264,774	-
Special projects	3,800	-	3,800	-
Drug and alcohol enforcement	9,098	-	9,098	-
Public safety	6,180	-	6,180	-
Unrestricted	<u>5,137,410</u>	<u>(2,444,289)</u>	<u>2,693,121</u>	<u>776,186</u>
Total Net Position	<u>\$ 24,417,534</u>	<u>\$ 29,759,565</u>	<u>\$ 54,177,099</u>	<u>\$ 788,669</u>

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

City of Jordan, 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	\$ 1,625,727	\$ 176,015	\$ 196,465	\$ -
Public safety	2,799,827	914,439	282,584	-
Streets and highways	1,948,816	61,731	125,373	377,208
Culture and recreation	488,925	10,707	-	432,208
Economic development	245,100	-	-	110,156
Miscellaneous	352,688	48,727	-	-
Interest and other costs	271,814	-	-	-
Total Governmental Activities	<u>7,732,897</u>	<u>1,211,619</u>	<u>604,422</u>	<u>919,572</u>
Business-type activities				
Water utility	1,283,639	1,561,197	5,993	489,190
Sewer utility	1,766,919	1,576,287	5,108	490,127
Storm sewer utility	210,291	223,763	-	157,637
Total Business-type Activities	<u>3,260,849</u>	<u>3,361,247</u>	<u>11,101</u>	<u>1,136,954</u>
Total	<u>\$ 10,993,746</u>	<u>\$ 4,572,866</u>	<u>\$ 615,523</u>	<u>\$ 2,056,526</u>
Component Unit				
Economic Development Authority	<u>153,264</u>	<u>\$ -</u>	<u>\$ 7,080</u>	<u>\$ -</u>

General Revenues

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- 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
\$ (1,253,247)	\$ -	\$ (1,253,247)	\$ -
(1,602,804)	-	(1,602,804)	-
(1,384,504)	-	(1,384,504)	-
(46,010)	-	(46,010)	-
(134,944)	-	(134,944)	-
(303,961)	-	(303,961)	-
(271,814)	-	(271,814)	-
(4,997,284)	-	(4,997,284)	-
-	772,741	772,741	-
-	304,603	304,603	-
-	171,109	171,109	-
-	1,248,453	1,248,453	-
(4,997,284)	1,248,453	(3,748,831)	-
			\$ (146,184)
4,183,738	-	4,183,738	143,316
1,296,941	-	1,296,941	-
295,076	-	295,076	-
61,372	-	61,372	-
706,151	-	706,151	-
371,236	259,829	631,065	23,937
10,307	-	10,307	-
99,443	-	99,443	-
50,000	(50,000)	-	-
7,074,264	209,829	7,284,093	167,253
2,076,980	1,458,282	3,535,262	21,069
22,340,554	28,301,283	50,641,837	767,600
\$ 24,417,534	\$ 29,759,565	\$ 54,177,099	\$ 788,669

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

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FUND FINANCIAL STATEMENTS

CITY OF JORDAN  
JORDAN, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

City of Jordan, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2024

	General	Debt Service	2024 Street Project	Other Governmental Funds	Total
<b>Assets</b>					
Cash and temporary investments	\$ 4,502,779	\$ 2,817,467	\$ 216,714	\$ 3,668,323	\$ 11,205,283
Receivables					
Accrued interest	9,410	-	-	-	9,410
Delinquent taxes	14,832	-	-	-	14,832
Accounts	49,652	-	-	67,352	117,004
Special assessments	36,049	382,204	-	589	418,842
Intergovernmental	195,320	1,991	-	-	197,311
Land held for resale	-	-	-	61,000	61,000
<b>Total Assets</b>	<b><u>\$ 4,808,042</u></b>	<b><u>\$ 3,201,662</u></b>	<b><u>\$ 216,714</u></b>	<b><u>\$ 3,797,264</u></b>	<b><u>\$ 12,023,682</u></b>
<b>Liabilities</b>					
Accounts and contracts payable	\$ 343,539	\$ -	\$ 16,092	\$ 647,283	\$ 1,006,914
Due to other governments	44,884	-	-	-	44,884
Accrued salaries payable	126,646	-	-	-	126,646
Deposits payable	-	-	-	41,997	41,997
<b>Total Liabilities</b>	<b><u>515,069</u></b>	<b><u>-</u></b>	<b><u>16,092</u></b>	<b><u>689,280</u></b>	<b><u>1,220,441</u></b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue					
Taxes	14,832	-	-	-	14,832
Special assessments	36,049	382,204	-	589	418,842
Advance from other governments	-	-	-	443,527	443,527
<b>Total Deferred Inflows of Resources</b>	<b><u>50,881</u></b>	<b><u>382,204</u></b>	<b><u>-</u></b>	<b><u>444,116</u></b>	<b><u>877,201</u></b>
<b>Fund Balances</b>					
Nonspendable					
Land held for resale	-	-	-	61,000	61,000
Restricted					
Debt service	-	2,819,458	-	-	2,819,458
Special projects	-	-	-	3,800	3,800
Drug and alcohol enforcement	-	-	-	9,098	9,098
Public safety	-	-	-	6,180	6,180
Economic development	-	-	-	264,774	264,774
Capital outlay	-	-	200,622	434,516	635,138
Committed					
Special projects	-	-	-	569,795	569,795
Drug and alcohol enforcement	-	-	-	1,144	1,144
DARE program	-	-	-	785	785
Car seat program	-	-	-	1,570	1,570
Capital outlay	-	-	-	2,179,937	2,179,937
Assigned					
Special projects	-	-	-	5,414	5,414
Capital outlay	-	-	-	489,207	489,207
Unassigned	4,242,092	-	-	(1,363,352)	2,878,740
<b>Total Fund Balances</b>	<b><u>4,242,092</u></b>	<b><u>2,819,458</u></b>	<b><u>200,622</u></b>	<b><u>2,663,868</u></b>	<b><u>9,926,040</u></b>
<b>Total Liabilities, Deferred Inflows of     Resources and Fund Balances</b>	<b><u>\$ 4,808,042</u></b>	<b><u>\$ 3,201,662</u></b>	<b><u>\$ 216,714</u></b>	<b><u>\$ 3,797,264</u></b>	<b><u>\$ 12,023,682</u></b>

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

City of Jordan, 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	\$ 9,926,040
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	25,909,346
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	(225,912)
Bonds payable	(10,239,000)
Net pension liability	(1,331,766)
Premium on bonds issued, net of accumulated amortization	(341,281)
Long-term assets are not available to pay current-period expenditures and therefore are unavailable in the funds.	
Delinquent property taxes receivable	14,832
Special assessments receivable	418,842
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the funds.	616,719
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	2,011,985
Deferred inflows of pension resources	(2,216,513)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(125,758)</u>
Total Net Position - Governmental Activities	<u><u>\$ 24,417,534</u></u>

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

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

	General	Debt Service	2024 Street Project	Other Governmental Funds	Total
<b>Revenues</b>					
Taxes	\$ 4,279,061	\$ 1,296,941	\$ -	\$ 292,745	\$ 5,868,747
Special assessments	12,523	112,259	-	216	124,998
Licenses and permits	747,662	-	-	-	747,662
Intergovernmental	1,250,152	-	-	548,523	1,798,675
Charges for services	427,532	-	-	-	427,532
Fines and forfeits	4,062	-	-	1,000	5,062
Investment earnings	172,919	79,571	-	118,746	371,236
Miscellaneous	10,888	-	-	222,531	233,419
Total Revenues	<u>6,904,799</u>	<u>1,488,771</u>	<u>-</u>	<u>1,183,761</u>	<u>9,577,331</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	1,565,580	-	-	71,940	1,637,520
Public safety	2,650,874	-	-	15,317	2,666,191
Streets and highways	511,292	-	-	-	511,292
Culture and recreation	242,469	-	-	2,105	244,574
Economic development	-	-	-	255,325	255,325
Miscellaneous	352,688	-	-	-	352,688
<b>Capital outlay</b>					
General government	19,215	-	-	446	19,661
Public safety	70,395	-	-	562,824	633,219
Streets and highways	9,350	-	1,176,304	575,291	1,760,945
Culture and recreation	-	-	-	1,245,681	1,245,681
<b>Debt service</b>					
Principal	-	1,136,000	-	-	1,136,000
Interest and other costs	-	258,907	-	-	258,907
Bond issuance costs	-	-	50,604	-	50,604
Total Expenditures	<u>5,421,863</u>	<u>1,394,907</u>	<u>1,226,908</u>	<u>2,728,929</u>	<u>10,772,607</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,482,936</u>	<u>93,864</u>	<u>(1,226,908)</u>	<u>(1,545,168)</u>	<u>(1,195,276)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	4,070	-	-	176,706	180,776
Transfers in	-	124,251	279,500	1,221,319	1,625,070
Bonds issued	-	-	1,165,000	-	1,165,000
Premium on bonds issued	-	-	84,845	-	84,845
Transfers out	(1,121,153)	-	-	(453,917)	(1,575,070)
Total Other Financing Sources (Uses)	<u>(1,117,083)</u>	<u>124,251</u>	<u>1,529,345</u>	<u>944,108</u>	<u>1,480,621</u>
Net Change in Fund Balances	<u>365,853</u>	<u>218,115</u>	<u>302,437</u>	<u>(601,060)</u>	<u>285,345</u>
Fund Balances, January 1 as Previously Reported	3,876,239	2,601,343	-	3,163,113	9,640,695
Change within Financial Reporting Entity (Note 9) Change from nonmajor to major fund	<u>-</u>	<u>-</u>	<u>(101,815)</u>	<u>101,815</u>	<u>-</u>
Fund Balances, January 1 as Restated	<u>3,876,239</u>	<u>2,601,343</u>	<u>(101,815)</u>	<u>3,264,928</u>	<u>9,640,695</u>
Fund Balances, December 31	<u>\$ 4,242,092</u>	<u>\$ 2,819,458</u>	<u>\$ 200,622</u>	<u>\$ 2,663,868</u>	<u>\$ 9,926,040</u>

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

City of Jordan, 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	\$ 285,345
<p>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.</p>	
Capital outlay	3,478,887
Depreciation expense	(1,861,176)
Capital contributions from discrete component unit	110,156
<p>The net effect of various miscellaneous transactions involving capital assets</p>	
Book value on trade in/sales of capital assets	(81,333)
<p>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 issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal repayments	1,136,000
Debt issued	(1,165,000)
Premium on bonds issued, net of amortization	(39,494)
<p>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.</p>	
	(7,654)
<p>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.</p>	
Property taxes	(31,620)
Special assessments	557
Intergovernmental revenues	(36,982)
<p>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.</p>	
Compensated absences	(26,537)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	274,839
Direct aid contributions	40,992
	274,839
	40,992
Change in Net Position - Governmental Activities	\$ 2,076,980

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

City of Jordan, 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 Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 4,194,839	\$ 4,194,839	\$ 4,279,061	\$ 84,222
Special assessments	14,000	14,000	12,523	(1,477)
Licenses and permits	156,350	156,350	747,662	591,312
Intergovernmental	1,100,119	1,100,119	1,250,152	150,033
Charges for services	312,350	312,350	427,532	115,182
Fines and forfeits	-	-	4,062	4,062
Investment earnings	15,000	15,000	172,919	157,919
Miscellaneous	72,500	72,500	10,888	(61,612)
Total Revenues	<u>5,865,158</u>	<u>5,865,158</u>	<u>6,904,799</u>	<u>1,039,641</u>
Expenditures				
Current				
General government	1,244,486	1,244,486	1,565,580	(321,094)
Public safety	2,544,174	2,544,174	2,650,874	(106,700)
Streets and highways	553,316	553,316	511,292	42,024
Culture and recreation	187,888	187,888	242,469	(54,581)
Miscellaneous	319,350	319,350	352,688	(33,338)
Capital outlay				
General government	435,000	435,000	19,215	415,785
Public safety	70,000	70,000	70,395	(395)
Streets and highways	81,500	81,500	9,350	72,150
Miscellaneous	46,000	46,000	-	46,000
Total Expenditures	<u>5,481,714</u>	<u>5,481,714</u>	<u>5,421,863</u>	<u>59,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>383,444</u>	<u>383,444</u>	<u>1,482,936</u>	<u>1,099,492</u>
Other Financing Sources (Uses)				
Sale of capital assets	1,500	1,500	4,070	2,570
Transfers in	65,000	65,000	-	(65,000)
Transfers out	(449,873)	(449,873)	(1,121,153)	(671,280)
Total Other Financing Sources (Uses)	<u>(383,373)</u>	<u>(383,373)</u>	<u>(1,117,083)</u>	<u>(733,710)</u>
Net Change in Fund Balances	71	71	365,853	365,782
Fund Balances, January 1	<u>3,876,239</u>	<u>3,876,239</u>	<u>3,876,239</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,876,310</u>	<u>\$ 3,876,310</u>	<u>\$ 4,242,092</u>	<u>\$ 365,782</u>

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

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

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Storm Sewer Utility	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and temporary investments	\$ 3,862,255	\$ 1,889,859	\$ 851,098	\$ 6,603,212
Receivables				
Accounts	74,708	111,313	16,254	202,275
Intergovernmental	13,905	13,905	-	27,810
Leases	41,359	-	-	41,359
Total Current Assets	<u>3,992,227</u>	<u>2,015,077</u>	<u>867,352</u>	<u>6,874,656</u>
<b>Noncurrent Assets</b>				
Lease receivable	904,640	-	-	904,640
Capital assets, at cost				
Land	33,097	1,450	535,637	570,184
Buildings and improvements	10,896	45,069	-	55,965
Improvements other than buildings	5,823,841	11,690,436	43,404	17,557,681
Infrastructure	14,220,419	13,700,050	8,348,850	36,269,319
Machinery and equipment	520,910	355,105	-	876,015
Construction in progress	413,203	-	464,428	877,631
Less accumulated depreciation	(8,744,872)	(11,072,852)	(3,030,009)	(22,847,733)
Total capital assets (net of accumulated depreciation)	<u>12,277,494</u>	<u>14,719,258</u>	<u>6,362,310</u>	<u>33,359,062</u>
Total Noncurrent Assets	<u>13,182,134</u>	<u>14,719,258</u>	<u>6,362,310</u>	<u>34,263,702</u>
Total Assets	<u>17,174,361</u>	<u>16,734,335</u>	<u>7,229,662</u>	<u>41,138,358</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension resources	25,344	21,602	-	46,946
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	423,008	5,306	4,333	432,647
Due to other governments	1,436	-	-	1,436
Accrued interest payable	23,302	81,228	8,843	113,373
Accrued salaries payable	8,864	8,637	-	17,501
Compensated absences payable	23,377	24,987	-	48,364
Bonds payable	150,000	430,000	65,000	645,000
Total Current Liabilities	<u>629,987</u>	<u>550,158</u>	<u>78,176</u>	<u>1,258,321</u>
<b>Noncurrent Liabilities</b>				
Bonds payable	1,691,462	6,400,912	748,141	8,840,515
Net pension liability	128,314	109,366	-	237,680
Total Noncurrent Liabilities	<u>1,819,776</u>	<u>6,510,278</u>	<u>748,141</u>	<u>9,078,195</u>
Total Liabilities	<u>2,449,763</u>	<u>7,060,436</u>	<u>826,317</u>	<u>10,336,516</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension resources	107,104	91,289	-	198,393
Deferred lease resources	890,830	-	-	890,830
Total Deferred Inflows of Resources	<u>997,934</u>	<u>91,289</u>	<u>-</u>	<u>1,089,223</u>
<b>Net Position</b>				
Net investment in capital assets	10,436,032	7,493,766	5,549,169	23,478,967
Restricted				
Capital outlay/connections	3,385,848	3,568,449	1,770,590	8,724,887
Unrestricted	(69,872)	(1,458,003)	(916,414)	(2,444,289)
Total Net Position	<u>\$ 13,752,008</u>	<u>\$ 9,604,212</u>	<u>\$ 6,403,345</u>	<u>\$ 29,759,565</u>

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

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

	Business-type Activities - Enterprise Funds			Total
	601/460/461 Water Utility	602/408/462/463 Sewer Utility	651/465 Storm Sewer Utility	
Operating Revenues				
Charges for services	\$ 1,477,946	\$ 1,576,287	\$ 223,763	\$ 3,277,996
Other income	5,993	5,108	-	11,101
Total Operating Revenues	<u>1,483,939</u>	<u>1,581,395</u>	<u>223,763</u>	<u>3,289,097</u>
Operating Expenses				
Personal services	473,772	364,220	-	837,992
Supplies	98,401	404,676	-	503,077
Other services and charges	115,449	182,585	12,518	310,552
Insurance	23,250	19,164	-	42,414
Utilities	68,561	79,487	-	148,048
Depreciation	453,128	545,396	178,590	1,177,114
Total Operating Expenses	<u>1,232,561</u>	<u>1,595,528</u>	<u>191,108</u>	<u>3,019,197</u>
Operating Income (loss)	<u>251,378</u>	<u>(14,133)</u>	<u>32,655</u>	<u>269,900</u>
Nonoperating Revenues (Expenses)				
Investment earnings	104,873	102,701	52,255	259,829
Lease revenue	67,864	-	-	67,864
Lease interest income	15,387	-	-	15,387
Interest and other costs	(58,505)	(199,169)	(21,400)	(279,074)
Amortization revenue	7,427	27,778	2,217	37,422
Total Nonoperating Revenues (Expenses)	<u>137,046</u>	<u>(68,690)</u>	<u>33,072</u>	<u>101,428</u>
Income (Loss) Before Contributions and Transfers	388,424	(82,823)	65,727	371,328
Capital Contributions				
Connection fees	291,040	279,737	-	570,777
Capital charges	198,150	210,390	157,637	566,177
Transfers Out	(25,000)	(25,000)	-	(50,000)
Change in Net Position	852,614	382,304	223,364	1,458,282
Net Position, January 1	<u>12,899,394</u>	<u>9,221,908</u>	<u>6,179,981</u>	<u>28,301,283</u>
Net Position, December 31	<u>\$ 13,752,008</u>	<u>\$ 9,604,212</u>	<u>\$ 6,403,345</u>	<u>\$ 29,759,565</u>

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

City of Jordan, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			Total
	601/460/461 Water Utility	602/408/462/463 Sewer Utility	651/465 Storm Sewer Utility	
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 1,496,160	\$ 1,576,621	\$ 227,095	\$ 3,299,876
Payments to suppliers and vendors	(287,561)	(686,742)	(8,185)	(982,488)
Payments to and on behalf of employees	(429,862)	(374,858)	-	(804,720)
Net Cash Provided by Operating Activities	<u>778,737</u>	<u>515,021</u>	<u>218,910</u>	<u>1,512,668</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers to other funds	(25,000)	(25,000)	-	(50,000)
Lease receipts	65,506	-	-	65,506
Net Cash Provided (Used) by Noncapital Financing Activities	<u>40,506</u>	<u>(25,000)</u>	<u>-</u>	<u>15,506</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(20,077)	(260,933)	(434,990)	(716,000)
Connection fees received	291,040	279,737	-	570,777
Capital charges received	204,050	216,546	157,637	578,233
Principal paid on long-term debt	(125,000)	(395,000)	(90,000)	(610,000)
Interest paid on long-term debt	(57,389)	(202,233)	(22,277)	(281,899)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>292,624</u>	<u>(361,883)</u>	<u>(389,630)</u>	<u>(458,889)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received	104,873	102,701	52,255	259,829
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,216,740	230,839	(118,465)	1,329,114
Cash and Cash Equivalents, January 1	2,645,515	1,659,020	969,563	5,274,098
Cash and Cash Equivalents, December 31	<u>\$ 3,862,255</u>	<u>\$ 1,889,859</u>	<u>\$ 851,098</u>	<u>\$ 6,603,212</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ 251,378	\$ (14,133)	\$ 32,655	\$ 269,900
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	453,128	545,396	178,590	1,177,114
(Increase) decrease in assets				
Accounts receivable	27,997	10,117	3,332	41,446
Intergovernmental	(9,783)	(9,783)	-	(19,566)
(Increase) decrease in deferred outflows of resources				
Deferred pension resources	15,609	24,953	-	40,562
Increase (decrease) in liabilities				
Accounts payable	20,323	(830)	4,333	23,826
Due to other governments	(2,223)	-	-	(2,223)
Accrued wages payable	2,989	3,106	-	6,095
Compensated absences payable	3,400	5,062	-	8,462
Net pension liability	(34,453)	(75,664)	-	(110,117)
Increase (decrease) in deferred inflows of resources				
Deferred pension resources	50,372	26,797	-	77,169
Net Cash Provided by Operating Activities	<u>\$ 778,737</u>	<u>\$ 515,021</u>	<u>\$ 218,910</u>	<u>\$ 1,512,668</u>
<b>Schedule of Noncash Investing, Capital and Financing Activities</b>				
Capital assets acquired on account	\$ 394,580	\$ -	\$ -	\$ 394,580
Amortization of bond (premium) discount	<u>\$ (7,427)</u>	<u>\$ (27,778)</u>	<u>\$ (2,217)</u>	<u>\$ (37,422)</u>

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

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

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

The City of Jordan, (the City) operates under "Optional Plan A" as defined in the Minnesota statutes. The City is governed by an elected Mayor and a six-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.

**Jordan Economic Development Authority.** The Economic Development Authority (EDA) was created pursuant to *Minnesota statutes* 469.0855, 469.048 through 469.068 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the City Council. Two of the five-member board of commissioners is made up of City Council members while all members are appointed by the mayor. 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. Thus, the EDA has been reported as a discretely presented component unit. The EDA does not prepare separate financial statements. The EDA financial statements are included in the report starting on page 118.

**Other Agencies.** The Jordan Housing and Redevelopment Authority (the HRA) is considered to be part of the primary government. The HRA was created pursuant to chapter 487 of the Minnesota Session Laws of 1947. 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 City general obligations. There has been no HRA activity within the City for the past few years. The HRA is now included with the Economic Development Authority discrete component unit included in this report.

### 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.

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. *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.

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

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

**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, franchise taxes, licenses, and interest 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 Jordan, 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 accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *2024 Street Project fund* accounts for costs related to the 2024 street improvement project during the year.

The City reports the following major proprietary funds:

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

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

The *Storm Sewer Utility fund* accounts for the costs associated with the City's storm sewer system, which are financed by the storm sewer surcharge, and 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 charges between the City's water and sewer functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. All revenues and expenses not meeting this definition are reported as nonoperating 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.

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.

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

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

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 has the following recurring fair value measurements as of December 31, 2024:

- Negotiable certificates of deposits of \$13,780,229 are valued using a matrix pricing model (Level 2 inputs)

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

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

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

***Investment Policy***

The City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. The City's investment program shall be operated in conformance with federal, state, and other legal requirements, including Minnesota statute 118A.

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

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota Statutes and the City's investment policy limit the City's investments.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. 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.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer.
- *Interest Rate Risk.* The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturity of its investment portfolio.

There are three main objectives of all investment activities that are prioritized as follows:

- Safety** Safety of principal is the foremost objective of the City. Each investment transaction shall seek to first insure that capital losses are avoided. The objective will be mitigating credit risk and interest rate risk.
- Credit Risk is the risk of loss due to failure of the security issuer or backer.
- Interest Rate Risk is the risk that the market value of securities in the portfolio will fail due to changes in general interest rates.
- Liquidity** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonable anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.
- Yield** The investment portfolio of the City shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into consideration the City's investment risk constraints, cash flow characteristics of the portfolio and prudent investment principles.

The investment in the Minnesota Municipal Money Market Mutual Fund is not subject to the custodial credit risk classifications as noted in paragraph 9 of GASB Statement No. 40.

Subject to requirements of the above objectives, it is the policy of the City to offer financial institutions and companies within the City the opportunity to bid on investments; however, the City will seek the best investment yields.

In accordance with Minnesota statute 118A.03 on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

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

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

***Property Taxes***

The City Council annually adopts a tax levy and certifies it to the County in December for collection 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 receivable 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. All enterprise fund trade receivables are considered collectible because the City annually certifies delinquent accounts to the County for collection.

***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.

***Land Held for Resale***

The City acquires land for subsequent resale for development purposes. Land held for resale is reported as an asset at the estimated historical cost in the governmental fund that acquired it.

***Lease Receivable***

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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

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

**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 as assets with 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.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). 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. In the case of donations, the City values these capital assets at the acquisition value of the item at the date of its donation. For financial statement purposes only, a capitalization threshold is established for each capital asset category as follows:

<u>Asset</u>	<u>Threshold</u>
Land and Land Improvements	\$ 10,000
Other Improvements	25,000
Buildings and Building Improvements	10,000
Machinery and Equipment	1,000
Vehicles	5,000
Infrastructure	100,000
Other Assets	5,000

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

<u>Assets</u>	<u>Years</u>
Land Improvements	15 - 20
Buildings and Improvements	7 - 40
System Improvements/Infrastructure	15 - 50
Machinery and Equipment	6 - 15
Vehicles	5 - 6
Other Assets	3 - 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 only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

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

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

**Compensated Absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Salaried employees and hourly employees with tenure at the City of 15 years are eligible to be paid 30 percent of their accumulated sick pay at retirement. All vacation pay and a portion of sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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.

	Governmental Activities	Business-type Activities	Total
Compensated Absences	\$ 225,912	\$ 48,364	\$ 274,276

**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 deferred and 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 recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. 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 Jordan Fire Relief Association is as follows:

	GERF	PEPFF	PEDCP	FRA	Total
City's Proportionate Share	\$ (19,404)	\$ 200,158	\$ 1,828	\$ (64,889)	\$ 117,693
Proportionate Share of State's Contribution	383	4,335	-	-	4,718
Total	\$ (19,021)	\$ 204,493	\$ 1,828	\$ (64,889)	\$ 122,411

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

### **Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. 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 the following items listed below reported in the statement of net position and governmental fund balance sheet.

- *Unavailable revenues* are presented in the governmental funds from two sources: property taxes, special assessments and intergovernmental revenue. These items arise only under a modified accrual basis of accounting that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred pension resources* are reported only in the statements of net position and results from actuarial calculations.
- *Deferred lease resources* are reported in the governmental funds balance sheet and are deferred to the period the amounts become available. This item is also reported in the statement of net position.
- *Advances from other governments* are reported in the governmental funds balance sheet and were received in advance and apply to future periods. This item is also reported in the statement of net position.

### **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 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 between 45 percent and 55 percent of budgeted operating expenditures for cash-flow timing needs.

City of Jordan, 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 balances 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 balances 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. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

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

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Administrator/Clerk/Treasurer. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted, or as amended by the Council. The City did not amend its General fund budget during the year.

**B. Deficit Fund Equity**

The following funds had a fund equity deficit at December 31, 2024:

Fund	Amount
Nonmajor	
Capital Projects	
190th Street Construction	\$ 35,180
Park Improvement	196,384
Varner Bridge Project	35,383
2025 Sunset Drive Project	306,431
Highway 169 Interchange Project	728,974

The above deficits will be eliminated through future state aids, bond issues and transfers from other funds.

City of Jordan, 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. For cities that use credit unions, the bank balance is covered by National Credit Union Share Insurance (not FDIC).

Minnesota statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit from Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

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

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

At year end, the City's carrying amount of deposits, bank balance, FDIC coverage, and pledged collateral are shown in the chart below.

Carrying Amount of Deposits	\$ 663,901
Bank Balance	\$ 854,195
Covered by FDIC	<u>(250,000)</u>
Collateralized with Securities Pledged in City's name	<u>\$ 604,195</u>

City of Jordan, 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	Level 2	Level 3
Pooled Investments at Amortized Costs						
4M Fund	N/A	less than 1 year	\$ 3,634,138			
Non-pooled Investments at Amortized Costs						
Money Market Funds	N/A	less than 1 year	30,315			
Non-pooled Investments at Fair Value						
Negotiable Certificates of Deposit	N/A	1 to 5 years	13,319,723	\$ -	\$ 13,319,723	\$ -
Negotiable Certificates of Deposit	N/A	more than 5 years	460,506	-	460,506	-
Total Investments			<u>\$ 17,444,682</u>	<u>\$ -</u>	<u>\$ 13,780,229</u>	<u>\$ -</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.

**Cash and Investments Summary**

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

	Primary Government	Component Unit - EDA	Total Reporting Entity
Deposits	\$ 513,798	\$ 150,103	\$ 663,901
Investments	<u>17,294,682</u>	<u>150,000</u>	<u>17,444,682</u>
Total	<u>\$ 17,808,480</u>	<u>\$ 300,103</u>	<u>\$ 18,108,583</u>

**B. Notes Receivable**

The City's EDA currently has notes to various local businesses totaling \$110,792 at December 31, 2024. Loans that are non-interest bearing and are forgivable after one year providing the business remains open totaled \$43,576 and are secured by real estate.

City of Jordan, 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 year ended December 31, 2024 was as follows:

	Restated Beginning Balance	Increase	Decrease	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 2,724,237	\$ -	\$ (81,333)	\$ 2,642,904
Construction in progress	1,963,280	3,309,411	(1,721,689)	3,551,002
Total Capital Assets not Being Depreciated	<u>4,687,517</u>	<u>3,309,411</u>	<u>(1,803,022)</u>	<u>6,193,906</u>
Capital Assets Being Depreciated				
Buildings and improvements	8,371,659	-	-	8,371,659
Infrastructure and improvements	29,368,297	1,842,870	-	31,211,167
Machinery and equipment	1,724,549	41,534	-	1,766,083
Vehicles	4,085,655	116,917	-	4,202,572
Total Capital Assets Being Depreciated	<u>43,550,160</u>	<u>2,001,321</u>	<u>-</u>	<u>45,551,481</u>
Less Accumulated Depreciation for				
Buildings and improvements	(2,762,045)	(238,856)	-	(3,000,901)
Infrastructure and improvements	(16,568,235)	(1,344,615)	-	(17,912,850)
Machinery and equipment	(1,257,783)	(72,180)	-	(1,329,963)
Vehicles	(3,386,802)	(205,525)	-	(3,592,327)
Total Accumulated Depreciation	<u>(23,974,865)</u>	<u>(1,861,176)</u>	<u>-</u>	<u>(25,836,041)</u>
Total Capital Assets Being Depreciated, Net	<u>19,575,295</u>	<u>140,145</u>	<u>-</u>	<u>19,715,440</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,262,812</u>	<u>\$ 3,449,556</u>	<u>\$ (1,803,022)</u>	<u>\$ 25,909,346</u>

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

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

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not Being Depreciated				
Land	\$ 570,184	\$ -	\$ -	\$ 570,184
Construction in progress	42,478	835,153	-	877,631
Total Capital Assets not Being Depreciated	<u>612,662</u>	<u>835,153</u>	<u>-</u>	<u>1,447,815</u>
Capital Assets Being Depreciated				
Buildings	55,965	-	-	55,965
Improvements other than buildings	17,296,748	260,933	-	17,557,681
Infrastructure	36,269,319	-	-	36,269,319
Machinery and equipment	876,015	-	-	876,015
Total Capital Assets Being Depreciated	<u>54,498,047</u>	<u>260,933</u>	<u>-</u>	<u>54,758,980</u>
Less Accumulated Depreciation for				
Buildings	(55,965)	-	-	(55,965)
Improvements other than buildings	(10,779,952)	(353,522)	-	(11,133,474)
Infrastructure	(10,034,504)	(786,503)	-	(10,821,007)
Machinery and equipment	(800,198)	(37,089)	-	(837,287)
Total Accumulated Depreciation	<u>(21,670,619)</u>	<u>(1,177,114)</u>	<u>-</u>	<u>(22,847,733)</u>
Total Capital Assets Being Depreciated, Net	<u>32,827,428</u>	<u>(916,181)</u>	<u>-</u>	<u>31,911,247</u>
Business-type Activities Capital Assets, Net	<u>\$ 33,440,090</u>	<u>\$ (81,028)</u>	<u>\$ -</u>	<u>\$ 33,359,062</u>

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

**Governmental Activities**

General government	\$ 41,683
Public safety	279,555
Streets and highways	1,378,169
Culture and recreation	161,769
Total Depreciation Expense - Governmental Activities	<u>\$ 1,861,176</u>

**Business-type Activities**

Water utility	\$ 453,128
Sewer utility	545,396
Storm sewer utility	178,590
Total Depreciation Expense - Business-type Activities	<u>\$ 1,177,114</u>

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

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

***Discretely Presented Component Unit***

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

	Restated Beginning Balance	Increase	Decrease	Ending Balance
<b>EDA</b>				
Capital Assets Being Depreciated Infrastructure	\$ -	\$ 122,851	\$ (110,156)	\$ 12,695
Less Accumulated Depreciation for Infrastructure	-	(212)	-	(212)
EDA Capital Assets, Net	<u>\$ -</u>	<u>\$ 122,639</u>	<u>\$ (110,156)</u>	<u>\$ 12,483</u>

Depreciation expense was charged to functions/programs of the discretely presented component unit is as follows:

***Discretely Presented Component Unit***

Economic Development Authority	<u>\$ 212</u>
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***Construction Commitments***

The City has active construction projects as of December 31, 2024. The projects include roofing improvements in both Water Plant and Fire Station. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Roofing Projects	<u>\$ 932,720</u>	<u>\$ 79,210</u>

**D. Interfund Transfers**

***Interfund Transfers***

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

Fund	Transfers in			Total
	Debt Service	2024 Street Project	Nonmajor Governmental	
Transfers Out				
General	\$ 90,040	\$ -	\$ 1,031,113	\$ 1,121,153
Nonmajor Governmental	34,211	279,500	140,206	453,917
Water Utility	-	-	25,000	25,000
Sewer Utility	-	-	25,000	25,000
Total	<u>\$ 124,251</u>	<u>\$ 279,500</u>	<u>\$ 1,221,319</u>	<u>\$ 1,625,070</u>

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

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

For the year ended December 31, 2024, the City made the following transfers:

- The General fund transferred resources to nonmajor governmental funds for MSA street projects and various future capital.
- The General fund transferred resources to the Debt Service fund for the City's portion of various debt service requirements.
- The Water Utility and Sewer Utility funds each transferred resources to the Equipment Reserve fund for future equipment purchases.
- The nonmajor 2021, 2022 and 2023 Street Project funds were closed to the Debt Service fund upon completion of the projects.

**E. Lease Receivable**

The City leases various tower sites to companies. These agreements contain various renewal and extension options. The latest maturity date is projected to be in in 2046, however, the City anticipates new or revised leasing arrangements to occur in the future.

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

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
AT&T	09/27/16	1.70 %	\$ 17,224	\$ 755,222
T-Mobile - A1P0052A	01/06/97	1.21	22,801	<u>190,777</u>
Total				<u><u>\$ 945,999</u></u>

The City leases their water towers to cell companies for the right to use the antenna space. Each lease contains multiple renewal options, all of which the City is reasonably certain will be exercised.

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

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

**F. 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.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Taxable Library Note of 2012	\$ 1,000,000	3.07 %	05/08/12	02/01/32	\$ 469,000
G.O. Street Reconstruction of 2013C	1,410,000	2.00 - 3.05	07/01/13	08/01/29	530,000
G.O. Bonds of 2016A	1,885,000	2.00 - 2.40	07/07/16	02/01/32	1,070,000
G.O. Improvement Bonds of 2016B	1,795,000 *	2.00	10/20/16	02/01/29	605,000
G.O. Improvement Bonds of 2017A	6,835,000 *	2.88 - 3.25	05/31/17	02/01/38	1,455,000
G.O. Street Reconstruction Bonds of 2018A	895,000	2.50 - 3.00	08/16/18	02/01/29	485,000
G.O. Taxable 2020A Equipment Certificates (Fire)	495,000	5.00	02/20/20	02/01/31	110,000
G.O. Street Reconstruction Bonds of 2020B	890,000	2.00	07/08/20	02/01/25	640,000
G.O. Street Reconstruction Bonds of 2021A	1,720,000	1.65	06/17/21	02/01/37	1,525,000
G.O. Street Reconstruction Bonds of 2022A	810,000	3.00	08/10/22	02/01/33	750,000
G.O. Street Reconstruction Bonds of 2023A	310,000	4.00	08/03/23	02/01/29	310,000
G.O. Street Reconstruction Bonds of 2024A	1,165,000	4.00 - 5.00	08/22/24	02/01/35	<u>1,165,000</u>
Total G.O. Bonds					<u>\$ 9,114,000</u>

\* Total amount of issuance, outstanding portions reported under governmental and business-type.

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

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

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

<u>Year Ending December 31</u>	<b>General Obligation Bonds</b> Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 993,000	\$ 244,732	\$ 1,237,732
2026	989,000	219,385	1,208,385
2027	1,036,000	190,225	1,226,225
2028	1,063,000	159,492	1,222,492
2029	1,099,000	127,683	1,226,683
2030 - 2034	2,929,000	315,942	3,244,942
2035 - 2038	1,005,000	41,873	1,046,873
<b>Total</b>	<b><u>\$ 9,114,000</u></b>	<b><u>\$ 1,299,332</u></b>	<b><u>\$ 10,413,332</u></b>

G.O. Tax Abatement Bonds

The following bonds were issued to finance various street and parking lot improvements. They will be retired from tax abatement revenues and tax levies.

<u>Description</u>	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
G.O. Tax Abatement Bonds of 2020B	\$ 355,000	2.00 %	07/08/20	02/01/36	\$ 295,000
G.O. Tax Abatement Bonds of 2021A	290,000	1.65	06/17/21	02/01/32	<u>240,000</u>
<b>Total G.O. Tax Abatement Bonds</b>					<b><u>\$ 535,000</u></b>

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

<u>Year Ending December 31</u>	<b>G.O. Tax Abatement Bonds</b> Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 45,000	\$ 11,425	\$ 56,425
2026	55,000	10,150	65,150
2027	55,000	8,750	63,750
2028	55,000	7,350	62,350
2029	55,000	5,950	60,950
2030 - 2034	220,000	13,465	233,465
2035 - 2036	50,000	1,000	51,000
<b>Total</b>	<b><u>\$ 535,000</u></b>	<b><u>\$ 58,090</u></b>	<b><u>\$ 593,090</u></b>

City of Jordan, 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 the 105 percent 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
<b>Governmental</b>					
G.O. Improvement Bonds of 2015A	\$ 1,155,000	1.75 - 3.00 %	06/17/15	02/01/31	<u>\$ 590,000</u>

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

Year Ending December 31	<b>G.O. Special Assessment Bonds</b> Governmental Activities		
	Principal	Interest	Total
2025	\$ 75,000	\$ 16,238	\$ 91,238
2026	80,000	14,250	94,250
2027	80,000	11,850	91,850
2028	85,000	9,375	94,375
2029	85,000	6,825	91,825
2030 - 2031	<u>185,000</u>	<u>5,625</u>	<u>190,625</u>
Total	<u>\$ 590,000</u>	<u>\$ 64,163</u>	<u>\$ 654,163</u>

City of Jordan, 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 Utility Revenue Bonds of 2015A	\$ 295,000	1.75 - 3.00 %	06/17/15	02/01/31	\$ 165,000
G.O Utility Revenue Bonds of 2016A	1,310,000	2.00 - 2.40	07/07/16	02/01/32	735,000
G.O. Refunding Bonds of 2016B	2,165,000 *	2.00	10/20/16	02/01/24	-
G.O. Improvement Bonds of 2017A	6,835,000 *	2.88 - 3.25	05/31/17	02/01/38	3,730,000
G.O Utility Revenue Bonds of 2020A	3,175,000	2.00 - 5.00	02/20/20	02/01/36	2,680,000
G.O Utility Revenue Bonds of 2022A	700,000	3.00	08/10/22	02/01/33	650,000
G.O Utility Revenue Bonds of 2023A	1,155,000	4.00	08/03/23	02/01/34	<u>1,155,000</u>
Total G.O. Revenue Bonds					<u><u>\$ 9,115,000</u></u>

\* Total amount of issuance, outstanding portions reported under governmental and business-type.

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

Year Ending December 31	<b>G.O. Revenue Bonds</b>		
	Principal	Interest	Total
2025	\$ 645,000	\$ 260,735	\$ 905,735
2026	685,000	237,150	922,150
2027	715,000	212,269	927,269
2028	735,000	186,534	921,534
2029	780,000	162,865	942,865
2030 - 2034	3,825,000	487,795	4,312,795
2035 - 2038	<u>1,730,000</u>	<u>85,656</u>	<u>1,815,656</u>
Total	<u><u>\$ 9,115,000</u></u>	<u><u>\$ 1,633,004</u></u>	<u><u>\$ 10,748,004</u></u>

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

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

Annual revenues from charges for services, principal and interest payments and percentage of revenue required to cover principal and interest payments are as follows:

	Water Utility	Sewer Utility	Storm Sewer Utility
Revenues	\$ 1,477,946	\$ 1,576,287	\$ 223,763
Principal and Interest	182,389	597,233	112,277
Percentage of Revenues	12.3%	37.9%	50.2%

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	\$ 8,865,000	\$ 1,165,000	\$ (916,000)	\$ 9,114,000	\$ 993,000
General Obligation Tax Abatement Bonds	580,000	-	(45,000)	535,000	45,000
General Obligation Special Assessment Bonds	765,000	-	(175,000)	590,000	75,000
Bond Premium	301,787	-	39,494	341,281	-
Total Bonds Payable	10,511,787	1,165,000	(1,096,506)	10,580,281	1,113,000
Compensated Absences Payable *	199,375	26,537	-	225,912	141,946
Governmental Activity Long-term Liabilities	\$ 10,711,162	\$ 1,191,537	\$ (1,096,506)	\$ 10,806,193	\$ 1,254,946
<b>Business-type Activities</b>					
Bonds Payable					
General Obligation Revenue Bonds	\$ 9,725,000	\$ -	\$ (610,000)	\$ 9,115,000	\$ 645,000
Bond Premium	407,938	-	(37,422)	370,516	-
Total Bonds Payable	10,132,938	-	(647,422)	9,485,516	645,000
Compensated Absences Payable *	39,902	8,462	-	48,364	48,364
Business-type Activity Long-term Liabilities	\$ 10,172,839	\$ 8,462	\$ (647,422)	\$ 9,533,879	\$ 693,364

\* The change in the compensated absences liability is presented as a net change under GASB 101.

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

**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.

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

**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 \$99,292, \$98,655 and \$99,723, 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 \$196,471, \$181,080 and \$144,915, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

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

**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 \$552,648 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 \$14,290.

City's Proportionate Share of the Net Pension Liability	\$	552,648
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		14,290
Total	\$	566,938

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 0.0149 percent at the end of the measurement period and 0.0171 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of negative \$19,406 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$383 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 \$25,427 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.

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

**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	\$ 54,549	\$ -
Changes in Actuarial Assumptions	3,177	231,150
Net Difference Between Projected and Actual Investment Earnings	-	160,103
Changes in Proportion	-	70,045
Contributions Paid to PERA Subsequent to the Measurement Date	51,433	-
<b>Total</b>	<b>\$ 109,159</b>	<b>\$ 461,298</b>

The \$51,433 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	\$ (237,149)
2026	(53,744)
2027	(70,321)
2028	(42,358)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,016,799 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 0.0773 percent at the end of the measurement period and 0.0751 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 \$38,760.

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

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

City's Proportionate Share of the Net Pension Liability	\$	1,016,799
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City		38,760
Total	\$	1,055,559

For the year ended December 31, 2024, the City recognized pension expense of \$200,158 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$4,335 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 \$21,947 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 378,191	\$ -
Changes in Actuarial Assumptions	979,338	1,454,826
Net Difference Between Projected and Actual Investment Earnings	-	386,152
Changes in Proportion	250,388	25,625
Contributions Paid to PERA Subsequent to the Measurement Date	100,342	-
Total	\$ 1,708,259	\$ 1,866,603

The \$100,342 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	\$	(46,774)
2026		250,893
2027		(106,851)
2028		(379,385)
2029		23,431

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

**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	100.0 %	

**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.

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

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.

Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the previous valuation.

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 90.0 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 90.0 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.

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

**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	\$ 1,207,071	\$ 552,648	\$ 14,324
Police and Fire Fund	2,402,895	1,016,799	(121,476)

**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).

City of Jordan, Minnesota  
Notes to the Financial Statements  
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**Note 5: Defined Contribution Plan**

One mayor and six council members of the City of Jordan 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	
\$ 1,828	\$ 1,828	5.00%	5.00%	5.00%

The City and council member's contributions to the DCP plan for the years ending December 31, 2024, 2023 and 2022 were \$1,828, \$1,915, and \$1,130, respectively.

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

**A. Plan Description**

All members of the Sample Fire Department (the Department) are covered by a defined benefit plan administered by the Sample Fire Department Relief Association (the Association). As of December 31, 2023, the plan covered 33 active firefighters and 10 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**

The financial requirements of the Special fund are determined in accordance with section 69.772 of the Minnesota statutes, which requires the payment of pension benefits in a lump sum or optionally in annual installments. The benefits are payable after age 50, 20 years of service and 10 years of Association membership or upon death.

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

**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 nothing in fire state aid to the plan on behalf of the Jordan 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 \$0. The City made an additional voluntary payment to the Jordan Firefighters' Relief Association in the amount of \$55,000 during the year ended December 31, 2024. Furthermore, the firefighter has no obligation to contribute to the plan.

**D. Pension Costs**

At December 31, 2024, the City reported a net pension asset of \$616,719 for the Fund. The net pension asset was measured as of December 31, 2024. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined applying an actuarial formula to specific census data certified by the Department. The following table presents the changes in net pension asset during the year:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Beginning Balance January 1, 2024	\$ 860,945	\$ 1,319,960	\$ (459,015)
Changes for the Year			
Service cost	41,986	-	41,986
Interest on pension liability (asset)	49,841	-	49,841
Plan changes	61,373	-	61,373
Projected investment return	-	55,000	(55,000)
Contributions (employer)	-	117,310	(117,310)
Nonemployer contributions	-	78,739	(78,739)
(Gain)/loss	-	61,075	(61,075)
Benefit payments	(72,250)	(72,250)	-
Administrative expenses	-	(1,220)	1,220
Total Net Changes	<u>80,950</u>	<u>238,654</u>	<u>(157,704)</u>
Ending Balance December 31, 2024	<u>\$ 941,895</u>	<u>\$ 1,558,614</u>	<u>\$ (616,719)</u>

For the year ended December 31, 2024 the City recognized negative pension expense of \$64,889.

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

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

At December 31, 2024 the City reported deferred outflows 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	\$ -	\$ 74,171
Changes in Actuarial Assumptions	4,443	12,834
Net Difference Between Projected and Actual Earnings on Plan Investments	80,129	-
Contributions to Plan Subsequent to the Measurement Date	156,941	-
Total	\$ 241,513	\$ 87,005

Deferred outflows of resources totaling \$156,941 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2025	\$ 1,346
2026	13,514
2027	24,007
2028	(29,719)
2029	(11,581)

**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 Age 50 With 20 Years of Service	
Salary Increases	2.50% per year
Cost of Living Increases	0.00%
Investment Rate of Return	5.75%
20 Year Municipal Bond Yield	N/A

Changes in Actuarial Assumptions

- No changes.

Changes in Plan Provisions

- Lump sum benefit amounts were increased from \$2,850 to \$3,100.

The long-term expected rate of return on pension plan investments was set based on the plan's target investment allocation along with long-term return expectations by asset class. All economic assumptions were based on input from various published sources and projected future financial data available.

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

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

The target allocation and best estimates of arithmetic 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	14.0 %	2.00 %
Fixed Income	26.0	3.00
Equities	60.0	7.90
Total	<u>100.0 %</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability was 5.75 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 (asset).

**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 1 percent lower or 1 percent higher than the current discount rate:

	1 Percent Decrease (4.75%)	Current (5.75%)	1 Percent Increase (6.75%)
Defined Benefit Plan	\$ (593,169)	\$ (616,719)	\$ (639,444)

**H. Pension Plan Fiduciary Net Position**

The Association issues a publicly available financial report. The report may be obtained by writing to the Jordan Firefighters' Relief Association, Jordan, Minnesota 55352.

**Note 7: 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 established a limited risk management program for workers' compensation and general liability and property damage.

The workers' compensation program activities are accounted for in the Workers' Compensation Insurance internal service fund. Premiums are paid into the fund by all other funds to pay claims and administrative cost of the program. The premiums are allocated based on the payroll costs by department. During the year, the City obtained 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.

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

**Note 7: Other Information (Continued)**

There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the prior three years.

**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.

The City is a defendant in a pending lawsuit. Although the outcome of this lawsuit is not presently determinable, it is the opinion of the City's counsel that resolution of this matter will not have a material adverse effect on the financial condition of the City.

**C. 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.

**D. 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.

**Note 8: Tax Abatements**

As of December 31, 2024, the City has eight agreements entered into by the City listed below that abate City property taxes. Below is information specific to each agreement:

The City entered into a tax abatement agreement in 2011 with a company in which the business incurred costs for the construction of a building. The agreement has a maximum return to the developer of \$122,889 over the life of the agreement. The agreement was negotiated under state law (Minnesota statutes 469.1812-469.1815) and has a maximum duration of 12 years. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax abatement agreement in 2015 with a company in which the business incurred costs for the expansion and remodeling of an existing car dealership. The agreement has a maximum return to the developer of \$234,000 over the life of the agreement. The agreement was negotiated under state law (Minnesota statutes 469.1812-469.1815) and has a maximum duration of 14 years. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax abatement agreement in 2024 with a developer for the construction of a new apartment complex. The agreement has a maximum return to the developer of \$1,854,788 over the life of the agreement. The agreement was negotiated under state law (Minnesota statutes 469.1812-469.1815) and has a maximum duration of 12 years. The calculation of taxes abated during the fiscal year is noted in the chart below.

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

**Note 8: Tax Abatements (Continued)**

The City entered into a tax increment financing agreement (TIF #1-8) on August 18, 2003, with a developer in which the developer incurred costs for a downtown redevelopment project. In return, the City will reimburse the developer for some costs as the City collects future tax increment for the increased property value and tax capacity related to the economic development. The agreement was negotiated under state law (Minnesota statutes 469.174-469.1799) and has a maximum duration dated to December 31, 2030. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #1-9) on February 20, 2007, with a developer in which the developer incurred costs for the construction of townhomes. In return, the City will reimburse the developer for some costs as the City collects future tax increment for the increased property value and tax capacity related to the economic development. The agreement was negotiated under state law (Minnesota statutes 469.174-469.1799) and has a maximum duration dated to December 31, 2033. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #1-11) on December 6, 2010, with a developer in which the developer incurred costs for the construction of a senior housing development. In return, the City will reimburse the developer for some costs as the City collects future tax increment for the increased property value and tax capacity related to the economic development. The agreement was negotiated under state law (Minnesota statutes 469.174-469.1799) and has a maximum duration dated to December 31, 2038. The calculation of taxes abated during the fiscal year is noted in the chart below.

The City entered into a tax increment financing agreement (TIF #1-12) on July 16, 2018, with a developer in which the developer incurred costs for the construction of a housing development. In return, the City will reimburse the developer for some costs as the City collects future tax increment for the increased property value and tax capacity related to the economic development. The agreement was negotiated under state law (Minnesota statutes 469.174-469.1794) and has a maximum duration dated to December 31, 2045. The calculation of taxes abated during the fiscal year is noted in the chart below.

Lost revenue as it relates to tax abatements for the year ended December 31, 2024 was as follows:

	<u>City Tax Rate (Year of Establishment)</u>	<u>Captured Tax Capacity</u>	<u>Amount of Taxes Abated During the Year</u>
<b>Tax Abatement Agreements</b>			
Shimkids, LLC			\$ 3,640
Wolf Motors			14,579
Jordan Apartments			24,312
<b>Tax Increment Districts (PAYGO)</b>			
Jordan Center Project (District 1-8)	60.684%	26,501	16,082
Jordan Valley Townhomes (District 1-9)	47.287%	40,469	19,137
Oak Terrace Senior Housing (District 1-11)	60.840%	120,115	73,078
Pineview Townhomes TIF (District 1-12)	71.622%	61,097	43,759
<b>Total</b>			<u>\$ 194,587</u>

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

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

**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. Adoption of the provisions of these statements 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.

**Change within Major and Nonmajor Fund Reporting**

During fiscal year 2024, the 2024 Street Project fund was determined to be a major fund. The effects of the changes within the financial reporting entity are shown in the financial statements.

**Note 10: Subsequent Event**

Issuance of General Obligation Bonds, Series 2025A

On May 8, 2025, the City issued \$6,815,000 in General Obligation Bonds, Series 2025A. The bonds were issued pursuant to Minnesota Statutes, Chapters 475 and 444, and Section 475.58, subdivision 3b, to finance various street reconstruction projects as outlined in the City's 2024-2028 Street Reconstruction Plan, related utility improvements, capitalized interest, and costs of issuance.

The bonds are general obligations of the City, backed by its full faith and credit and power to levy ad valorem taxes. A portion of the bonds is additionally secured by net revenues from the City's water, sewer, and storm sewer utilities.

Key terms of the bond issuance include:

- Par Amount: \$6,815,000
- Interest Payments: Semiannual, beginning February 1, 2026
- Principal Payments: Annually, beginning February 1, 2027
- Final Maturity: February 1, 2041
- Optional Redemption: Callable at par on or after February 1, 2035

This bond issuance represents a material subsequent event and will be reflected in the City's financial statements for the year ending December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JORDAN  
JORDAN, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

City of Jordan, 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	0.0149 %	\$ 552,648	\$ 14,290	\$ 566,938	\$ 1,265,267	43.7 %	86.7 %
6/30/2023	0.0171	956,213	26,252	982,465	1,317,827	72.6	83.1
6/30/2022	0.0176	1,393,926	41,055	1,434,981	1,391,093	100.2	76.7
6/30/2021	0.0179	764,410	23,284	787,694	1,285,067	59.5	87.0
6/30/2020	0.0170	1,019,228	31,565	1,050,793	1,214,907	83.9	79.0
6/30/2019	0.0169	934,363	28,999	963,362	1,197,440	78.0	80.2
6/30/2018	0.0175	970,828	31,891	1,002,719	1,175,947	82.6	79.5
6/30/2017	0.0172	1,098,037	13,844	1,111,881	1,111,120	98.8	75.9
6/30/2016	0.0162	1,315,360	-	1,315,360	1,004,880	130.9	68.9
6/30/2015	0.0157	813,655	-	813,655	906,760	89.7	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	\$ 99,292	\$ 99,292	\$ -	\$ 1,323,893	7.50 %
12/31/2023	98,655	98,655	-	1,315,400	7.50
12/31/2022	99,723	99,723	-	1,329,640	7.50
12/31/2021	101,239	101,239	-	1,349,853	7.50
12/31/2020	92,877	92,877	-	1,238,360	7.50
12/31/2019	91,000	91,000	-	1,213,333	7.50
12/31/2018	88,732	88,732	-	1,183,093	7.50
12/31/2017	86,071	86,071	-	1,147,613	7.50
12/31/2016	79,087	79,087	-	1,054,493	7.50
12/31/2015	73,196	73,196	-	975,947	7.50

City of Jordan, 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 Jordan, 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 Jordan, 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	0.0773 %	\$ 1,016,799	\$ 38,760	\$ 1,055,559	\$ 1,070,226	95.0 %	87.0 %
6/30/2023	0.0751	1,296,879	52,289	1,349,168	854,497	151.8	86.5
6/30/2022	0.0648	2,819,840	123,312	2,943,152	889,119	317.1	70.5
6/30/2021	0.0741	571,973	25,737	597,710	876,056	65.3	93.7
6/30/2020	0.0736	970,127	22,844	992,971	830,082	116.9	87.2
6/30/2019	0.0742	789,934	-	789,934	783,454	100.8	89.3
6/30/2018	0.0708	754,655	-	754,655	746,117	101.1	88.8
6/30/2017	0.0670	904,580	-	904,580	687,556	131.6	85.4
6/30/2016	0.0640	2,568,431	-	2,568,431	616,173	416.8	63.9
6/30/2015	0.0620	704,465	-	704,465	554,870	127.0	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	\$ 196,471	\$ 196,471	\$ -	\$ 1,110,006	17.70 %
12/31/2023	181,080	181,080	-	1,023,051	17.70
12/31/2022	144,915	144,915	-	818,729	17.70
12/31/2021	151,205	151,205	-	854,266	17.70
12/31/2020	153,228	153,228	-	865,695	17.70
12/31/2019	135,645	135,645	-	800,265	16.95
12/31/2018	126,596	126,596	-	781,457	16.20
12/31/2017	115,752	115,752	-	714,519	16.20
12/31/2016	104,209	104,209	-	643,265	16.20
12/31/2015	96,953	96,953	-	598,475	16.20

City of Jordan, 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 - There were no changes in actuarial assumptions since the previous valuation.

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 Jordan, 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 \$9.0 million per year will continue until the earlier of 1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90.0 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 90.0 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 Jordan, Minnesota**  
**Required Supplementary Information (Continued)**  
**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 2022)	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)	2015 (Fire Relief Report Date 2014)
<b>Total Pension Liability</b>										
Service cost	\$ 41,986	\$ 42,953	\$ 41,905	\$ 43,915	\$ 40,784	\$ 32,051	\$ 30,618	\$ 30,349	\$ 31,237	\$ 30,476
Interest	49,841	43,306	42,658	42,044	36,303	38,218	36,437	36,753	35,415	36,133
Changes of benefit terms	61,373	32,612	-	28,717	34,600	18,535	14,566	13,155	-	-
Changes of assumptions	-	(17,968)	-	-	-	11,109	-	-	-	-
Gain (loss)	-	(63,129)	-	(27,739)	-	(35,731)	-	(4,638)	-	-
Benefit payments	(72,250)	-	(145,300)	-	-	(83,450)	(17,898)	(145,350)	-	(85,331)
<b>Net Change in Total Pension Liability</b>	<b>80,950</b>	<b>37,774</b>	<b>(60,737)</b>	<b>86,937</b>	<b>111,687</b>	<b>(19,268)</b>	<b>63,723</b>	<b>(69,731)</b>	<b>66,652</b>	<b>(18,722)</b>
<b>Total Pension Liability - January 1</b>	<b>860,945</b>	<b>823,171</b>	<b>883,908</b>	<b>796,971</b>	<b>685,284</b>	<b>704,552</b>	<b>640,829</b>	<b>710,560</b>	<b>643,908</b>	<b>662,630</b>
<b>Total Pension Liability - December 31 (A)</b>	<b>\$ 941,895</b>	<b>\$ 860,945</b>	<b>\$ 823,171</b>	<b>\$ 883,908</b>	<b>\$ 796,971</b>	<b>\$ 685,284</b>	<b>\$ 704,552</b>	<b>\$ 640,829</b>	<b>\$ 710,560</b>	<b>\$ 643,908</b>
<b>Plan Fiduciary Net Position</b>										
Municipal contributions	\$ 55,000	\$ 76,629	\$ 55,000	\$ 55,000	\$ 35,000	\$ 35,000	\$ 41,624	\$ 35,000	\$ 35,000	\$ 47,795
Nonemployer contributions	117,310	63,706	57,444	54,569	52,042	51,457	48,194	47,630	46,642	46,569
Projected investment return	78,739	72,310	63,956	56,283	44,156	48,911	42,475	39,254	40,124	36,322
Gain (loss)	61,075	(268,711)	50,191	60,822	103,307	(95,754)	41,105	18,855	(62,207)	(8,424)
Benefit payments, including refunds of employee contributions	(72,250)	-	(145,300)	-	-	(83,450)	(17,898)	(145,350)	-	(85,331)
Administrative expenses	(1,220)	(18)	(1,589)	(2,401)	(4,085)	(4,595)	(3,467)	(4,840)	(1,520)	(6,704)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>238,654</b>	<b>(56,084)</b>	<b>79,702</b>	<b>224,273</b>	<b>230,420</b>	<b>(48,431)</b>	<b>152,033</b>	<b>(9,451)</b>	<b>58,039</b>	<b>30,227</b>
<b>Plan Fiduciary Net Position - January 1</b>	<b>1,319,960</b>	<b>1,376,044</b>	<b>1,296,342</b>	<b>1,072,069</b>	<b>841,649</b>	<b>890,080</b>	<b>738,047</b>	<b>747,498</b>	<b>689,459</b>	<b>659,232</b>
<b>Plan Fiduciary Net Position - December 31 (B)</b>	<b>\$ 1,558,614</b>	<b>\$ 1,319,960</b>	<b>\$ 1,376,044</b>	<b>\$ 1,296,342</b>	<b>\$ 1,072,069</b>	<b>\$ 841,649</b>	<b>\$ 890,080</b>	<b>\$ 738,047</b>	<b>\$ 747,498</b>	<b>\$ 689,459</b>
<b>Fire Relief's Net Pension Liability (Asset) - December 31 (A-B)</b>	<b>\$ (616,719)</b>	<b>\$ (459,015)</b>	<b>\$ (552,873)</b>	<b>\$ (412,434)</b>	<b>\$ (275,098)</b>	<b>\$ (156,365)</b>	<b>\$ (185,528)</b>	<b>\$ (97,218)</b>	<b>\$ (36,938)</b>	<b>\$ (45,551)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A)</b>	165.48%	153.32%	167.16%	146.66%	134.52%	122.82%	126.33%	115.17%	105.20%	107.07%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fire Relief's Net Pension Liability (Asset) As a Percentage of Covered Payroll</b>	N/A	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 Jordan, 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 - No changes.
- 2023 - The discount rate changed from 5.0 percent to 5.75 percent.
- 2022 - No changes.
- 2021 - No changes.
- 2020 - No changes.
- 2019 - The discount rate changed from 5.5 percent to 5.0 percent.
- 2018 - No changes.
- 2017 - No changes.
- 2016 - No changes.
- 2015 - No changes.

Changes in Plan Provisions

- 2024 - Lump sum benefit amounts were increased from \$2,850 to \$3,100.
- 2023 - Lump sum benefit amounts were increased from \$2,700 to \$2,850.
- 2022 - No changes.
- 2021 - Lump sum benefit amounts were increased from \$2,600 to \$2,700.
- 2020 - Lump sum benefit amounts were increased from \$2,475 to \$2,600.
- 2019 - Lump sum benefit amounts were increased from \$2,400 to \$2,475.
- 2018 - Lump sum benefit amounts were increased from \$2,350 to \$2,400.
- 2017 - Lump sum benefit amounts were increased from \$2,300 to \$2,350.
- 2016 - No changes.
- 2015 - No changes.

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

**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	\$ 172,310	\$ 172,310	\$ -
12/31/23	140,335	140,335	-
12/31/22	127,056	127,056	-
12/31/21	112,444	112,444	-
12/31/20	86,442	86,442	-
12/31/19	87,042	87,042	-
12/31/18	86,457	86,457	-
12/31/17	89,818	89,818	-
12/31/16	82,630	82,630	-
12/31/15	81,642	81,642	-

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

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF JORDAN  
JORDAN, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
<b>Assets</b>			
Cash and temporary investments	\$ 808,226	\$ 2,860,097	\$ 3,668,323
Receivables			
Accounts	67,352	-	67,352
Special assessments			
Current	589	-	589
Land held for resale	-	61,000	61,000
<b>Total Assets</b>	<b>\$ 876,167</b>	<b>\$ 2,921,097</b>	<b>\$ 3,797,264</b>
<b>Liabilities</b>			
Accounts payable	\$ 2,821	\$ 644,462	\$ 647,283
Deposits payable	10,197	31,800	41,997
<b>Total Liabilities</b>	<b>13,018</b>	<b>676,262</b>	<b>689,280</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue			
Special assessments	589	-	589
Advance from other governments	-	443,527	443,527
<b>Total Deferred Inflows of Resources</b>	<b>589</b>	<b>443,527</b>	<b>444,116</b>
<b>Fund Balances</b>			
Nonspendable			
Land held for resale	-	61,000	61,000
Restricted			
Special projects	3,800	-	3,800
Drug and alcohol enforcement	9,098	-	9,098
Public safety projects	6,180	-	6,180
Economic development	264,774	-	264,774
Capital outlay	-	434,516	434,516
Committed			
Special projects	569,795	-	569,795
Drug and alcohol enforcement	1,144	-	1,144
DARE program	785	-	785
Car seat program	1,570	-	1,570
Capital outlay	-	2,179,937	2,179,937
Assigned			
Special projects	5,414	-	5,414
Capital outlay	-	489,207	489,207
Unassigned	-	(1,363,352)	(1,363,352)
<b>Total Fund Balances</b>	<b>862,560</b>	<b>1,801,308</b>	<b>2,663,868</b>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<b>\$ 876,167</b>	<b>\$ 2,921,097</b>	<b>\$ 3,797,264</b>

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

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
Revenues			
Taxes	\$ 292,745	\$ -	\$ 292,745
Special assessments	216	-	216
Intergovernmental	-	548,523	548,523
Fines and forfeits	1,000	-	1,000
Investment earnings	28,969	89,777	118,746
Miscellaneous	82,583	139,948	222,531
Total Revenues	<u>405,513</u>	<u>778,248</u>	<u>1,183,761</u>
Expenditures			
Current			
General government	71,940	-	71,940
Public safety	15,317	-	15,317
Culture and recreation	2,105	-	2,105
Economic development	255,325	-	255,325
Capital outlay			
General government	-	446	446
Public safety	1,000	561,824	562,824
Streets and highways	-	575,291	575,291
Culture and recreation	-	1,245,681	1,245,681
Total Expenditures	<u>345,687</u>	<u>2,383,242</u>	<u>2,728,929</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>59,826</u>	<u>(1,604,994)</u>	<u>(1,545,168)</u>
Other Financing Sources (Uses)			
Sale of assets	-	176,706	176,706
Transfers in	89,900	1,131,419	1,221,319
Transfers out	(293,121)	(160,796)	(453,917)
Total Other Financing Sources (Uses)	<u>(203,221)</u>	<u>1,147,329</u>	<u>944,108</u>
Net Change in Fund Balances	<u>(143,395)</u>	<u>(457,665)</u>	<u>(601,060)</u>
Fund Balances, January 1 as Previously Reported	1,005,955	2,157,158	3,163,113
Change within Financial Reporting Entity (Note 9) Change from nonmajor to major fund	<u>-</u>	<u>101,815</u>	<u>101,815</u>
Fund Balances, January 1 as Restated	<u>1,005,955</u>	<u>2,258,973</u>	<u>3,264,928</u>
Fund Balances, December 31	<u>\$ 862,560</u>	<u>\$ 1,801,308</u>	<u>\$ 2,663,868</u>

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

	204	206	212	215	216	217
	Contributions and Donations	Police Contributions	Municipal State Aid	Police Forfeiture	Police DARE Program	Police Car Seat
<b>Assets</b>						
Cash and temporary investments	\$ 6,180	\$ 637	\$ 461,995	\$ 10,242	\$ 785	\$ 1,570
Receivables						
Accounts	-	-	-	-	-	-
Special assessments						
Current	-	-	589	-	-	-
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	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-				

<b>218</b>	<b>219</b>	<b>225</b>	<b>442</b>	<b>443</b>	<b>445</b>	<b>446</b>	
Police Reserves	Veterans Park	Developer Reimbursed Projects	Jordan Center TIF Project	Jordan Valley Townhomes TIF	Oak Terrance Senior Housing	Pineview Townhomes TIF	Total
\$ 5,414	\$ 110,963	\$ (48,493)	\$ 32,163	\$ 54,133	\$ 146,631	\$ 26,006	\$ 808,226
-	-	67,352	-	-	-	-	67,352
-	-	-	-	-	-	-	589
<u>\$ 5,414</u>	<u>\$ 110,963</u>	<u>\$ 18,859</u>	<u>\$ 32,163</u>	<u>\$ 54,133</u>	<u>\$ 146,631</u>	<u>\$ 26,006</u>	<u>\$ 876,167</u>
\$ -	\$ -	\$ 2,821	\$ -	\$ -	\$ -	\$ -	\$ 2,821
-	-	10,197	-	-	-	-	10,197
-	-	13,018	-	-	-	-	13,018
-	-	-	-	-	-	-	589
-	3,800	-	-	-	-	-	3,800
-	-	-	-	-	-	-	9,098
-	-	-	-	-	-	-	6,180
-	-	5,841	32,163	54,133	146,631	26,006	264,774
-	107,163	-	-	-	-	-	569,795
-	-	-	-	-	-	-	1,144
-	-	-	-	-	-	-	785
-	-	-	-	-	-	-	1,570
5,414	-	-	-	-	-	-	5,414
<u>5,414</u>	<u>110,963</u>	<u>5,841</u>	<u>32,163</u>	<u>54,133</u>	<u>146,631</u>	<u>26,006</u>	<u>862,560</u>
<u>\$ 5,414</u>	<u>\$ 110,963</u>	<u>\$ 18,859</u>	<u>\$ 32,163</u>	<u>\$ 54,133</u>	<u>\$ 146,631</u>	<u>\$ 26,006</u>	<u>\$ 876,167</u>

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

	204	206	212	215	216	217
	Contributions and Donations	Police Contributions	Municipal State Aid	Police Forfeiture	Police DARE Program	Police Car Seat
Revenues						
Taxes						
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	216	-	-	-
Fines and forfeits	-	-	-	1,000	-	-
Investment earnings	167	19	16,736	332	24	48
Miscellaneous						
Contributions and donations	13,656	-	-	-	-	-
Refunds and reimbursements	-	-	-	-	-	-
Total Revenues	<u>13,823</u>	<u>19</u>	<u>16,952</u>	<u>1,332</u>	<u>24</u>	<u>48</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	11,049	-	-	4,268	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay						
Public safety	1,000	-	-	-	-	-
Total Expenditures	<u>12,049</u>	<u>-</u>	<u>-</u>	<u>4,268</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,774</u>	<u>19</u>	<u>16,952</u>	<u>(2,936)</u>	<u>24</u>	<u>48</u>
Other Financing Sources (Uses)						
Transfers in	-	-	89,900	-	-	-
Transfers out	-	-	(279,500)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(189,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,774	19	(172,648)	(2,936)	24	48
Fund Balances, January 1	<u>4,406</u>	<u>618</u>	<u>634,643</u>	<u>13,178</u>	<u>761</u>	<u>1,522</u>
Fund Balances, December 31	<u>\$ 6,180</u>	<u>\$ 637</u>	<u>\$ 461,995</u>	<u>\$ 10,242</u>	<u>\$ 785</u>	<u>\$ 1,570</u>

<b>218</b>	<b>219</b>	<b>225</b>	<b>442</b>	<b>443</b>	<b>445</b>	<b>446</b>	
Police Reserves	Veterans Park	Developer Reimbursed Projects	Jordan Center TIF Project	Jordan Valley Townhomes TIF	Oak Terrace Senior Housing	Pineview Townhomes TIF	Total
\$ -	\$ -	\$ -	\$ 31,703	\$ 44,265	\$ 143,689	\$ 73,088	\$ 292,745
-	-	-	-	-	-	-	216
-	-	-	-	-	-	-	1,000
169	3,439	-	961	1,619	4,742	713	28,969
375	1,200	-	-	-	-	-	15,231
-	-	67,352	-	-	-	-	67,352
<u>544</u>	<u>4,639</u>	<u>67,352</u>	<u>32,664</u>	<u>45,884</u>	<u>148,431</u>	<u>73,801</u>	<u>405,513</u>
-	-	71,940	-	-	-	-	71,940
-	-	-	-	-	-	-	15,317
-	2,105	-	-	-	-	-	2,105
-	-	-	29,520	40,865	118,094	66,846	255,325
-	-	-	-	-	-	-	1,000
<u>-</u>	<u>2,105</u>	<u>71,940</u>	<u>29,520</u>	<u>40,865</u>	<u>118,094</u>	<u>66,846</u>	<u>345,687</u>
<u>544</u>	<u>2,534</u>	<u>(4,588)</u>	<u>3,144</u>	<u>5,019</u>	<u>30,337</u>	<u>6,955</u>	<u>59,826</u>
-	-	-	-	-	-	-	89,900
-	-	-	-	-	(13,621)	-	(293,121)
-	-	-	-	-	(13,621)	-	(203,221)
544	2,534	(4,588)	3,144	5,019	16,716	6,955	(143,395)
<u>4,870</u>	<u>108,429</u>	<u>10,429</u>	<u>29,019</u>	<u>49,114</u>	<u>129,915</u>	<u>19,051</u>	<u>1,005,955</u>
<u>\$ 5,414</u>	<u>\$ 110,963</u>	<u>\$ 5,841</u>	<u>\$ 32,163</u>	<u>\$ 54,133</u>	<u>\$ 146,631</u>	<u>\$ 26,006</u>	<u>\$ 862,560</u>

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

	<b>230</b>	<b>401</b>	<b>423</b>	<b>424</b>	<b>425</b>
	Emergency Siren	Capital Projects Revolving	190th Street Construction Project	CR 61 and CR 66 Construction	Fire Vehicle
<b>Assets</b>					
Cash and temporary investments	\$ 26,045	\$ 462,819	\$ 5,837	\$ 331,910	\$ 205,473
Land held for resale	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 26,045</u></b>	<b><u>\$ 462,819</u></b>	<b><u>\$ 5,837</u></b>	<b><u>\$ 331,910</u></b>	<b><u>\$ 205,473</u></b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 9,217	\$ -	\$ -
Deposits payable	-	-	31,800	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>41,017</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Deferred Inflows of Resources</b>					
Advance from other governments	-	-	-	-	-
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Land held for resale	-	-	-	-	-
<b>Restricted</b>					
Capital outlay	-	-	-	-	-
<b>Committed</b>					
Capital outlay	26,045	462,819	-	-	205,473
<b>Assigned</b>					
Capital outlay	-	-	-	331,910	-
<b>Unassigned</b>					
	-	-	(35,180)	-	-
<b>Total Fund Balances</b>	<b><u>26,045</u></b>	<b><u>462,819</u></b>	<b><u>(35,180)</u></b>	<b><u>331,910</u></b>	<b><u>205,473</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 26,045</u></b>	<b><u>\$ 462,819</u></b>	<b><u>\$ 5,837</u></b>	<b><u>\$ 331,910</u></b>	<b><u>\$ 205,473</u></b>

<b>452</b>	<b>453</b>	<b>454</b>	<b>456</b>	<b>458</b>	<b>459</b>
Park Improvement	Park Capital	Park Equipment Improvement	City Facilities Capital	Mini Met Facilities	Public Safety Aid
\$ (242,443) 61,000	\$ 364,532 -	\$ 303,089 -	\$ 599,797 -	\$ 11,066 -	\$ 273,974 -
<u>\$ (181,443)</u>	<u>\$ 364,532</u>	<u>\$ 303,089</u>	<u>\$ 599,797</u>	<u>\$ 11,066</u>	<u>\$ 273,974</u>
\$ 14,941 -	\$ 39,832 -	\$ - -	\$ 538,140 -	\$ - -	\$ - -
<u>14,941</u>	<u>39,832</u>	<u>-</u>	<u>538,140</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
61,000	-	-	-	-	-
-	-	-	-	6,066	273,974
-	225,114	292,594	51,824	5,000	-
-	99,586	10,495	9,833	-	-
(257,384)	-	-	-	-	-
<u>(196,384)</u>	<u>324,700</u>	<u>303,089</u>	<u>61,657</u>	<u>11,066</u>	<u>273,974</u>
<u>\$ (181,443)</u>	<u>\$ 364,532</u>	<u>\$ 303,089</u>	<u>\$ 599,797</u>	<u>\$ 11,066</u>	<u>\$ 273,974</u>

City of Jordan, Minnesota  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet (Continued)  
 December 31, 2024

	<b>464</b>	<b>403</b>	<b>405</b>	<b>411</b>	<b>412</b>
	Street Equipment Fee	Downtown Master Plan Improvements	Varner Bridge Project	2021 Street Project	2022 Street Project
<b>Assets</b>					
Cash and temporary investments	\$ 756,228	\$ 192,223	\$ (35,383)	\$ -	\$ -
Land held for resale	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 756,228</u>	<u>\$ 192,223</u>	<u>\$ (35,383)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits Payable	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Advance from other governments	-	-	-	-	-
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Land held for resale	-	-	-	-	-
<b>Restricted</b>					
Capital outlay	-	-	-	-	-
<b>Committed</b>					
Capital outlay	718,845	192,223	-	-	-
<b>Assigned</b>					
Capital outlay	37,383	-	-	-	-
<b>Unassigned</b>	-	-	(35,383)	-	-
<b>Total Fund Balances</b>	<u>756,228</u>	<u>192,223</u>	<u>(35,383)</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 756,228</u>	<u>\$ 192,223</u>	<u>\$ (35,383)</u>	<u>\$ -</u>	<u>\$ -</u>

<b>413</b>	<b>416</b>	<b>415/436</b>	<b>437</b>	
2023 Street Project	2025 Sunset Drive Project	Highway 169 Interchange Project	Creek Lane/ 282 Intersection Project	Total
\$ -	\$ (276,818)	\$ (272,728)	\$ 154,476	\$ 2,860,097
-	-	-	-	61,000
<u>\$ -</u>	<u>\$ (276,818)</u>	<u>\$ (272,728)</u>	<u>\$ 154,476</u>	<u>\$ 2,921,097</u>
\$ -	\$ 29,613	\$ 12,719	\$ -	\$ 644,462
-	-	-	-	31,800
-	29,613	12,719	-	676,262
-	-	443,527	-	443,527
-	-	-	-	61,000
-	-	-	154,476	434,516
-	-	-	-	2,179,937
-	-	-	-	489,207
-	(306,431)	(728,974)	-	(1,363,352)
-	(306,431)	(728,974)	154,476	1,801,308
<u>\$ -</u>	<u>\$ (276,818)</u>	<u>\$ (272,728)</u>	<u>\$ 154,476</u>	<u>\$ 2,921,097</u>

City of Jordan, Minnesota  
Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
(Continued on the Following Pages)  
For the Year Ended December 31, 2024

	<b>230</b>	<b>401</b>	<b>423</b>	<b>424</b>	<b>425</b>
	Emergency Siren	Capital Projects Revolving	190th Street Construction Project	CR 61 and CR 66 Construction	Fire Vehicle
<b>Revenues</b>					
Intergovernmental					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-
Investment earnings	689	10,009	3,256	9,266	4,260
Miscellaneous					
Contributions and donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>689</u>	<u>10,009</u>	<u>3,256</u>	<u>9,266</u>	<u>4,260</u>
<b>Expenditures</b>					
Capital outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Streets and highways	-	-	210,603	-	-
Culture and recreation	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>210,603</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>689</u>	<u>10,009</u>	<u>(207,347)</u>	<u>9,266</u>	<u>4,260</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	-	-	-	-
Transfers in	2,500	180,000	-	25,834	45,000
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>180,000</u>	<u>-</u>	<u>25,834</u>	<u>45,000</u>
Net Change in Fund Balances	<u>3,189</u>	<u>190,009</u>	<u>(207,347)</u>	<u>35,100</u>	<u>49,260</u>
Fund Balances, January 1 as Previously Reported	22,856	272,810	172,167	296,810	156,213
Change within Financial Reporting Entity (Note 9) Change from nonmajor to major fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, January 1 as Restated	<u>22,856</u>	<u>272,810</u>	<u>172,167</u>	<u>296,810</u>	<u>156,213</u>
Fund Balances, December 31	<u>\$ 26,045</u>	<u>\$ 462,819</u>	<u>\$ (35,180)</u>	<u>\$ 331,910</u>	<u>\$ 205,473</u>

<b>452</b>	<b>453</b>	<b>454</b>	<b>456</b>	<b>458</b>	<b>459</b>
<u>Park Improvement</u>	<u>Park Capital</u>	<u>Park Equipment Improvement</u>	<u>City Facilities Capital</u>	<u>Mini Met Facilities</u>	<u>Public Safety Aid</u>
\$ 291,060	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	9,982	6,810	12,411	2,718	-
-	-	2,017	-	76,931	-
61,000	-	-	-	-	-
<u>352,060</u>	<u>9,982</u>	<u>8,827</u>	<u>12,411</u>	<u>79,649</u>	<u>-</u>
-	-	-	446	-	-
-	-	-	538,140	-	23,684
-	-	-	-	-	-
736,371	247,047	5,422	-	256,841	-
<u>736,371</u>	<u>247,047</u>	<u>5,422</u>	<u>538,586</u>	<u>256,841</u>	<u>23,684</u>
<u>(384,311)</u>	<u>(237,065)</u>	<u>3,405</u>	<u>(526,175)</u>	<u>(177,192)</u>	<u>(23,684)</u>
176,706	-	-	-	-	-
-	190,000	70,000	300,000	20,000	-
-	-	-	-	-	-
<u>176,706</u>	<u>190,000</u>	<u>70,000</u>	<u>300,000</u>	<u>20,000</u>	<u>-</u>
<u>(207,605)</u>	<u>(47,065)</u>	<u>73,405</u>	<u>(226,175)</u>	<u>(157,192)</u>	<u>(23,684)</u>
11,221	371,765	229,684	287,832	168,258	297,658
-	-	-	-	-	-
<u>11,221</u>	<u>371,765</u>	<u>229,684</u>	<u>287,832</u>	<u>168,258</u>	<u>297,658</u>
<u>\$ (196,384)</u>	<u>\$ 324,700</u>	<u>\$ 303,089</u>	<u>\$ 61,657</u>	<u>\$ 11,066</u>	<u>\$ 273,974</u>

City of Jordan, Minnesota  
Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
(Continued on the Following Pages)

	464	403	405	411	412
	Street Equipment Fee	Downtown Master Plan Improvements	Varner Bridge Project	2021 Street Project	2022 Street Project
<b>Revenues</b>					
Intergovernmental					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-
Investment earnings	17,679	5,010	-	1,262	-
Miscellaneous					
Contributions and donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>17,679</u>	<u>5,010</u>	<u>-</u>	<u>1,262</u>	<u>-</u>
<b>Expenditures</b>					
Capital outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Streets and highways	62,032	-	-	-	54,446
Culture and recreation	-	-	-	-	-
Total Expenditures	<u>62,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(44,353)</u>	<u>5,010</u>	<u>-</u>	<u>1,262</u>	<u>(54,446)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	-	-	-	-
Transfers in	146,500	25,000	-	-	126,585
Transfers out	-	-	-	(40,949)	(34,211)
Total Other Financing Sources (Uses)	<u>146,500</u>	<u>25,000</u>	<u>-</u>	<u>(40,949)</u>	<u>92,374</u>
Net Change in Fund Balances	<u>102,147</u>	<u>30,010</u>	<u>-</u>	<u>(39,687)</u>	<u>37,928</u>
Fund Balances, January 1 as Previously Reported	654,081	162,213	(35,383)	39,687	(37,928)
Change within Financial Reporting Entity (Note 9) Change from nonmajor to major fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, January 1 as Restated	<u>654,081</u>	<u>162,213</u>	<u>(35,383)</u>	<u>39,687</u>	<u>(37,928)</u>
Fund Balances, December 31	<u>\$ 756,228</u>	<u>\$ 192,223</u>	<u>\$ (35,383)</u>	<u>\$ -</u>	<u>\$ -</u>

<b>413</b>	<b>414</b> Formerly Nonmajor Fund	<b>416</b>	<b>415/436</b>	<b>437</b>	
2023 Street Project	2024 Street Project	2025 Sunset Drive Project	Highway 169 Intersection Project	Creek Lane/ 282 Intersection Project	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,060
247,615	-	-	9,848	-	257,463
1,657	-	-	-	4,768	89,777
-	-	-	-	-	78,948
-	-	-	-	-	61,000
<u>249,272</u>	<u>-</u>	<u>-</u>	<u>9,848</u>	<u>4,768</u>	<u>778,248</u>
-	-	-	-	-	446
-	-	-	-	-	561,824
1,485	-	212,795	33,930	-	575,291
-	-	-	-	-	1,245,681
<u>1,485</u>	<u>-</u>	<u>212,795</u>	<u>33,930</u>	<u>-</u>	<u>2,383,242</u>
<u>247,787</u>	<u>-</u>	<u>(212,795)</u>	<u>(24,082)</u>	<u>4,768</u>	<u>(1,604,994)</u>
-	-	-	-	-	176,706
-	-	-	-	-	1,131,419
<u>(85,636)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160,796)</u>
<u>(85,636)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147,329</u>
<u>162,151</u>	<u>-</u>	<u>(212,795)</u>	<u>(24,082)</u>	<u>4,768</u>	<u>(457,665)</u>
(162,151)	(101,815)	(93,636)	(704,892)	149,708	2,157,158
-	101,815	-	-	-	101,815
<u>(162,151)</u>	<u>-</u>	<u>(93,636)</u>	<u>(704,892)</u>	<u>149,708</u>	<u>2,258,973</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (306,431)</u>	<u>\$ (728,974)</u>	<u>\$ 154,476</u>	<u>\$ 1,801,308</u>

City of Jordan, 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	\$ 4,121,839	\$ 4,121,839	\$ 4,217,689	\$ 95,850	\$ 4,180,834
Cable franchise fees	73,000	73,000	61,372	(11,628)	68,470
Total taxes	<u>4,194,839</u>	<u>4,194,839</u>	<u>4,279,061</u>	<u>84,222</u>	<u>4,249,304</u>
Special assessments	<u>14,000</u>	<u>14,000</u>	<u>12,523</u>	<u>(1,477)</u>	<u>21,233</u>
Licenses and permits					
Business	24,400	24,400	30,885	6,485	25,254
Nonbusiness	131,950	131,950	716,777	584,827	242,519
Total licenses and permits	<u>156,350</u>	<u>156,350</u>	<u>747,662</u>	<u>591,312</u>	<u>267,773</u>
Intergovernmental					
Federal					
Other	<u>-</u>	<u>-</u>	<u>782</u>	<u>782</u>	<u>-</u>
State					
Local government aid	699,669	699,669	699,669	-	450,969
Property tax credits and aids	250	250	-	(250)	278
Fire aid	55,000	55,000	81,941	26,941	72,056
Police aid	99,000	99,000	135,577	36,577	108,894
Municipal state aid - streets	83,000	83,000	89,900	6,900	83,069
Other state aids	23,200	23,200	34,953	11,753	24,097
Total state	<u>960,119</u>	<u>960,119</u>	<u>1,042,040</u>	<u>81,921</u>	<u>739,363</u>
County					
Other County aids	<u>140,000</u>	<u>140,000</u>	<u>207,330</u>	<u>67,330</u>	<u>122,320</u>
Total intergovernmental	<u>1,100,119</u>	<u>1,100,119</u>	<u>1,250,152</u>	<u>150,033</u>	<u>861,683</u>
Charges for services					
General government	17,650	17,650	19,927	2,277	114,005
Public safety	206,200	206,200	287,573	81,373	352,194
Streets and highways	55,000	55,000	60,598	5,598	59,968
Culture and recreation	9,500	9,500	10,707	1,207	9,732
Other	1,000	1,000	1,524	524	84
Rents	23,000	23,000	47,203	24,203	39,716
Total charges for services	<u>312,350</u>	<u>312,350</u>	<u>427,532</u>	<u>115,182</u>	<u>575,699</u>
Fines and forfeits	<u>-</u>	<u>-</u>	<u>4,062</u>	<u>4,062</u>	<u>2,150</u>
Investment earnings (loss)	<u>15,000</u>	<u>15,000</u>	<u>172,919</u>	<u>157,919</u>	<u>99,380</u>
Miscellaneous					
Other	72,500	72,500	7,300	(65,200)	3,859
Contributions and donations	-	-	50	50	932
Refunds and reimbursements	-	-	3,538	3,538	1,996
Total miscellaneous	<u>72,500</u>	<u>72,500</u>	<u>10,888</u>	<u>(61,612)</u>	<u>6,787</u>
Total Revenues	<u>5,865,158</u>	<u>5,865,158</u>	<u>6,904,799</u>	<u>1,039,641</u>	<u>6,084,009</u>

City of Jordan, 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			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and council					
Personal services	\$ 49,007	\$ 49,007	\$ 42,861	\$ 6,146	\$ 47,065
Supplies	1,200	1,200	7,589	(6,389)	7,717
Other services and charges	22,850	22,850	20,157	2,693	18,020
Total mayor and council	<u>73,057</u>	<u>73,057</u>	<u>70,607</u>	<u>2,450</u>	<u>72,802</u>
City administration					
Personal services	284,109	284,109	317,268	(33,159)	250,395
Supplies	400	400	71	329	404
Other services and charges	10,800	10,800	8,618	2,182	10,413
Total city administration	<u>295,309</u>	<u>295,309</u>	<u>325,957</u>	<u>(30,648)</u>	<u>261,212</u>
Elections					
Personal services	7,000	7,000	6,420	580	-
Supplies	250	250	4,577	(4,327)	-
Other services	1,425	1,425	193	1,232	-
Total elections	<u>8,675</u>	<u>8,675</u>	<u>11,190</u>	<u>(2,515)</u>	<u>-</u>
Financial administration					
Personal services	155,670	155,670	170,879	(15,209)	152,094
Supplies	300	300	80	220	70
Other services and charges	105,850	105,850	111,044	(5,194)	100,669
Total financial administration	<u>261,820</u>	<u>261,820</u>	<u>282,003</u>	<u>(20,183)</u>	<u>252,833</u>
Legal					
Other services	<u>94,000</u>	<u>94,000</u>	<u>54,327</u>	<u>39,673</u>	<u>41,310</u>
Deputy registrar					
Personal services	-	-	-	-	169,696
Supplies	-	-	-	-	784
Other services and charges	-	-	-	-	750
Total deputy registrar	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,230</u>
Planning and zoning					
Personal services	155,625	155,625	124,972	30,653	162,915
Supplies	500	500	789	(289)	688
Other services and charges	255,500	255,500	538,805	(283,305)	370,796
Total planning and zoning	<u>411,625</u>	<u>411,625</u>	<u>664,566</u>	<u>(252,941)</u>	<u>534,399</u>
General government building					
Supplies	1,500	1,500	2,031	(531)	3,836
Other services and charges	98,500	98,500	154,899	(56,399)	90,340
Total general government building	<u>100,000</u>	<u>100,000</u>	<u>156,930</u>	<u>(56,930)</u>	<u>94,176</u>
Total general government	<u>1,244,486</u>	<u>1,244,486</u>	<u>1,565,580</u>	<u>(321,094)</u>	<u>1,427,962</u>

City of Jordan, 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			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Public safety					
Police					
Personal services	\$ 1,717,364	\$ 1,717,364	\$ 1,789,633	\$ (72,269)	\$ 1,753,761
Supplies	40,800	40,800	36,733	4,067	38,211
Other services and charges	166,600	166,600	181,145	(14,545)	172,845
Total police	<u>1,924,764</u>	<u>1,924,764</u>	<u>2,007,511</u>	<u>(82,747)</u>	<u>1,964,817</u>
Fire					
Personal services	332,710	332,710	341,836	(9,126)	308,796
Supplies	75,850	75,850	74,254	1,596	28,662
Other services and charges	121,400	121,400	99,789	21,611	144,705
Total fire	<u>529,960</u>	<u>529,960</u>	<u>515,879</u>	<u>14,081</u>	<u>482,163</u>
Building inspection					
Supplies	200	200	100	100	-
Other services	65,000	65,000	108,611	(43,611)	120,048
Total building inspection	<u>65,200</u>	<u>65,200</u>	<u>108,711</u>	<u>(43,511)</u>	<u>120,048</u>
Civil defense					
Other services and charges	<u>8,500</u>	<u>8,500</u>	<u>4,100</u>	<u>4,400</u>	<u>6,202</u>
Animal control					
Supplies	150	150	-	150	-
Other services	15,600	15,600	14,673	927	16,800
Total animal control	<u>15,750</u>	<u>15,750</u>	<u>14,673</u>	<u>1,077</u>	<u>16,800</u>
Total public safety	<u>2,544,174</u>	<u>2,544,174</u>	<u>2,650,874</u>	<u>(106,700)</u>	<u>2,590,030</u>
Streets and highways					
Street maintenance					
Personal services	332,916	332,916	406,378	(73,462)	341,230
Supplies	67,200	67,200	55,615	11,585	64,187
Other services and charges	153,200	153,200	49,299	103,901	160,481
Total streets and highways	<u>553,316</u>	<u>553,316</u>	<u>511,292</u>	<u>42,024</u>	<u>565,898</u>
Culture and recreation					
Parks					
Personal services	35,663	35,663	56,337	(20,674)	34,829
Supplies	30,600	30,600	33,329	(2,729)	21,937
Other services and charges	59,000	59,000	85,234	(26,234)	80,944
Total parks	<u>125,263</u>	<u>125,263</u>	<u>174,900</u>	<u>(49,637)</u>	<u>137,710</u>
Recreation					
Supplies	900	900	720	180	100
Other charges	26,000	26,000	27,495	(1,495)	8,254
Total recreation	<u>26,900</u>	<u>26,900</u>	<u>28,215</u>	<u>(1,315)</u>	<u>8,354</u>

City of Jordan, 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			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation (continued)					
Library					
Supplies	\$ 725	\$ 725	\$ -	\$ 725	\$ -
Other services and charges	35,000	35,000	39,354	(4,354)	37,960
Total library	<u>35,725</u>	<u>35,725</u>	<u>39,354</u>	<u>(3,629)</u>	<u>37,960</u>
Total culture and recreation	<u>187,888</u>	<u>187,888</u>	<u>242,469</u>	<u>(54,581)</u>	<u>184,024</u>
Miscellaneous					
Unallocated					
Supplies	6,100	6,100	10,500	(4,400)	8,424
Other services and charges	313,250	313,250	342,188	(28,938)	309,283
Total miscellaneous	<u>319,350</u>	<u>319,350</u>	<u>352,688</u>	<u>(33,338)</u>	<u>317,707</u>
Total current	<u>4,849,214</u>	<u>4,849,214</u>	<u>5,322,903</u>	<u>(473,689)</u>	<u>5,085,621</u>
Capital outlay					
General government	435,000	435,000	19,215	415,785	2,741
Public safety	70,000	70,000	70,395	(395)	76,812
Streets and highways	81,500	81,500	9,350	72,150	110
Miscellaneous	46,000	46,000	-	46,000	-
Total capital outlay	<u>632,500</u>	<u>632,500</u>	<u>98,960</u>	<u>533,540</u>	<u>79,663</u>
Total Expenditures	<u>5,481,714</u>	<u>5,481,714</u>	<u>5,421,863</u>	<u>59,851</u>	<u>5,165,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>383,444</u>	<u>383,444</u>	<u>1,482,936</u>	<u>1,099,492</u>	<u>918,725</u>
Other Financing Sources (Uses)					
Sale of capital assets	1,500	1,500	4,070	2,570	4,091
Transfers in	65,000	65,000	-	(65,000)	-
Transfers out	(449,873)	(449,873)	(1,121,153)	(671,280)	(747,733)
Total Other Financing Sources (Uses)	<u>(383,373)</u>	<u>(383,373)</u>	<u>(1,117,083)</u>	<u>(733,710)</u>	<u>(743,642)</u>
Net Change in Fund Balances	71	71	365,853	365,782	175,083
Fund Balances, January 1	<u>3,876,239</u>	<u>3,876,239</u>	<u>3,876,239</u>	<u>-</u>	<u>3,701,156</u>
Fund Balances, December 31	<u>\$ 3,876,310</u>	<u>\$ 3,876,310</u>	<u>\$ 4,242,092</u>	<u>\$ 365,782</u>	<u>\$ 3,876,239</u>

City of Jordan, Minnesota  
Debt Service Funds  
Combining Balance Sheet  
December 31, 2024

	<b>302</b>	<b>332</b>	<b>335</b>	<b>306</b>	<b>307</b>	<b>308</b>
	2015A G.O. Improvement Bonds	2012 G.O. Library Note	2013C G.O. Street Reconstruction Bonds	2016A G.O. Bonds	2016B G.O. Refunding Bonds	2017A G.O. Bonds
<b>Assets</b>						
Cash and temporary investments	\$ 248,480	\$ 32,475	\$ 357,998	\$ 369,312	\$ 547,923	\$ 270,887
Receivables						
Special assessments						
Delinquent	482	-	-	-	-	-
Noncurrent	56,700	-	-	58,055	-	15,762
Intergovernmental	385	-	-	1,530	-	-
<b>Total Assets</b>	<b><u>\$ 306,047</u></b>	<b><u>\$ 32,475</u></b>	<b><u>\$ 357,998</u></b>	<b><u>\$ 428,897</u></b>	<b><u>\$ 547,923</u></b>	<b><u>\$ 286,649</u></b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue						
Special assessments	\$ 57,182	-	-	\$ 58,055	-	\$ 15,762
<b>Fund Balances</b>						
Restricted						
Debt service	248,865	32,475	357,998	370,842	547,923	270,887
<b>Total Deferred Inflows of         Resources and Fund Balances</b>	<b><u>\$ 306,047</u></b>	<b><u>\$ 32,475</u></b>	<b><u>\$ 357,998</u></b>	<b><u>\$ 428,897</u></b>	<b><u>\$ 547,923</u></b>	<b><u>\$ 286,649</u></b>

<b>309</b>	<b>310</b>	<b>311</b>	<b>321</b>	<b>312</b>	<b>313</b>	<b>314</b>	
2018A G.O. Bonds	2020A G.O. Bonds	2020B G.O. Bonds	2021A G.O. Bonds	2022A G.O. Bonds	2023A G.O. Bonds	2024A G.O. Bonds	Total
\$ 265,966	\$ 110,532	\$ 101,294	\$ 193,744	\$ 219,329	\$ 60,078	\$ 39,449	\$ 2,817,467
-	-	-	-	-	-	-	482
-	-	-	90,843	92,207	-	68,155	381,722
-	-	-	76	-	-	-	1,991
<u>\$ 265,966</u>	<u>\$ 110,532</u>	<u>\$ 101,294</u>	<u>\$ 284,663</u>	<u>\$ 311,536</u>	<u>\$ 60,078</u>	<u>\$ 107,604</u>	<u>\$ 3,201,662</u>
-	-	-	\$ 90,843	\$ 92,207	\$ -	\$ 68,155	\$ 382,204
265,966	110,532	101,294	193,820	219,329	60,078	39,449	2,819,458
<u>\$ 265,966</u>	<u>\$ 110,532</u>	<u>\$ 101,294</u>	<u>\$ 284,663</u>	<u>\$ 311,536</u>	<u>\$ 60,078</u>	<u>\$ 107,604</u>	<u>\$ 3,201,662</u>

City of Jordan, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Continued on the Following Pages  
For the Year Ended December 31, 2024

	<b>302</b>	<b>332</b>	<b>335</b>	<b>306</b>	<b>307</b>	<b>308</b>
	2015A G.O. Improvement Bonds	2012 G.O. Library Note	2013C G.O. Street Reconstruction Bonds	2016A G.O. Bonds	2016B G.O. Refunding Bonds	2017A G.O. Bonds
Revenues						
Taxes						
Property taxes	\$ 73,040	\$ 70,312	\$ 121,866	\$ 131,306	\$ 138,705	\$ 133,895
Special assessments	17,529	-	-	15,340	-	2,801
Investment earnings	7,712	952	10,917	11,373	14,073	8,250
Total Revenues	<u>98,281</u>	<u>71,264</u>	<u>132,783</u>	<u>158,019</u>	<u>152,778</u>	<u>144,946</u>
Expenditures						
Debt service						
Principal	75,000	51,000	95,000	120,000	230,000	85,000
Interest and other costs	18,312	15,964	18,038	24,514	14,900	44,293
Total Expenditures	<u>93,312</u>	<u>66,964</u>	<u>113,038</u>	<u>144,514</u>	<u>244,900</u>	<u>129,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,969	4,300	19,745	13,505	(92,122)	15,653
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	53,058	-
Net Change in Fund Balances	4,969	4,300	19,745	13,505	(39,064)	15,653
Fund Balances, January 1	<u>243,896</u>	<u>28,175</u>	<u>338,253</u>	<u>357,337</u>	<u>586,987</u>	<u>255,234</u>
Fund Balances, December 31	<u>\$ 248,865</u>	<u>\$ 32,475</u>	<u>\$ 357,998</u>	<u>\$ 370,842</u>	<u>\$ 547,923</u>	<u>\$ 270,887</u>

<b>309</b>	<b>310</b>	<b>311</b>	<b>321</b>	<b>312</b>	<b>313</b>	<b>314</b>	
2018A G.O. Bonds	2020A G.O. Bonds	2020B G.O. Bonds	2021A G.O. Bonds	2022A G.O. Bonds	2023A G.O. Bonds	2024A G.O. Bonds	Total
\$ 109,195	\$ 84,293	\$ 129,885	\$ 159,637	\$ 72,849	\$ 71,958	\$ -	\$ 1,296,941
-	-	-	21,258	15,657	-	39,674	112,259
8,157	2,094	3,057	5,756	5,654	951	625	79,571
<u>117,352</u>	<u>86,387</u>	<u>132,942</u>	<u>186,651</u>	<u>94,160</u>	<u>72,909</u>	<u>40,299</u>	<u>1,488,771</u>
90,000	100,000	105,000	125,000	60,000	-	-	1,136,000
15,670	8,500	20,250	40,885	23,900	12,831	850	258,907
<u>105,670</u>	<u>108,500</u>	<u>125,250</u>	<u>165,885</u>	<u>83,900</u>	<u>12,831</u>	<u>850</u>	<u>1,394,907</u>
11,682	(22,113)	7,692	20,766	10,260	60,078	39,449	93,864
-	36,982	-	-	34,211	-	-	124,251
11,682	14,869	7,692	20,766	44,471	60,078	39,449	218,115
254,284	95,663	93,602	173,054	174,858	-	-	2,601,343
<u>\$ 265,966</u>	<u>\$ 110,532</u>	<u>\$ 101,294</u>	<u>\$ 193,820</u>	<u>\$ 219,329</u>	<u>\$ 60,078</u>	<u>\$ 39,449</u>	<u>\$ 2,819,458</u>

City of Jordan, Minnesota  
Discretely Presented Component Unit  
Economic Development Authority  
Balance Sheet/Statement of Net Position  
December 31, 2024

Assets	
Cash and temporary investments	\$ 300,088
Receivables	
Notes	154,368
Intergovernmental	457
Land held for resale	<u>321,273</u>
Total Assets	<u><u>\$ 776,186</u></u>
Fund Balances	
Nonspendable	
Land held for resale	\$ 321,273
Assigned	
Economic development	<u>454,913</u>
Total Fund Balances	<u><u>\$ 776,186</u></u>
Amounts reported for governmental activities in the statement of net position are different because	
Total Fund Balances - Economic Development Authority	\$ 776,186
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	<u>12,483</u>
Total Net Position - Governmental Activities	<u><u>\$ 788,669</u></u>

City of Jordan, Minnesota  
 Discretely Presented Component Unit  
 Economic Development Authority  
 Schedule of Revenues, Expenditures and Changes in Fund Balances/Net Position  
 For the Year Ended December 31, 2024

Revenues		
Taxes		
Property taxes	\$	143,316
Investment earnings		23,937
Miscellaneous		
Contributions and donations		7,080
Total Revenues		<u>174,333</u>
Expenditures		
Current		
Economic development		30,857
Capital outlay		
Economic development		134,890
Total Expenditures		<u>165,747</u>
Net Change in Fund Balances		8,586
Fund Balances, January 1		<u>767,600</u>
Fund Balances, December 31	\$	<u><u>776,186</u></u>
Amounts reported for governmental activities in the statement of activities are different because		
Net Change in Fund Balances - Economic Development Authority	\$	8,586
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		122,851
Depreciation expense		(212)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net position		
Capital assets contributed to primary government		<u>(110,156)</u>
Change in Net Position - Economic Development Authority	\$	<u><u>21,069</u></u>

City of Jordan, Minnesota  
Summary Financial Report  
Governmental Funds  
Revenues and Expenditures for General Operations  
For the Years Ended December 31, 2024 and 2023

	Total 2024	Total 2023	Percent Increase (Decrease)	
<b>Revenues</b>				
Taxes	\$ 5,868,747	\$ 5,860,225	0.15	%
Special assessments	124,998	98,469	26.94	
Licenses and permits	747,662	267,773	179.21	
Intergovernmental	1,798,675	1,525,295	17.92	
Charges for services	427,532	575,699	(25.74)	
Fines and forfeits	5,062	3,018	67.73	
Investment earnings	371,236	220,085	68.68	
Miscellaneous	233,419	273,704	(14.72)	
Total Revenues	\$ 9,577,331	\$ 8,824,268	8.53	%
Per Capita	\$ 1,364	\$ 1,302	4.72	%
<b>Expenditures</b>				
<b>Current</b>				
General government	\$ 1,637,520	\$ 1,532,339	6.86	%
Public safety	2,666,191	2,605,916	2.31	
Streets and highways	511,292	565,898	(9.65)	
Culture and recreation	244,574	184,529	32.54	
Economic development	255,325	241,245	5.84	
Miscellaneous	352,688	317,707	11.01	
<b>Capital outlay</b>				
General government	19,661	17,601	11.70	
Public safety	633,219	116,813	442.08	
Streets and highways	1,760,945	1,105,267	59.32	
Culture and recreation	1,245,681	394,241	215.97	
<b>Debt service</b>				
Principal	1,136,000	1,055,000	7.68	
Interest and other costs	258,907	277,847	(6.82)	
Bond issuance costs	50,604	13,490	275.12	
Total Expenditures	\$ 10,772,607	\$ 8,427,893	27.82	%
Per Capita	\$ 1,534	\$ 1,244	23.32	%
Total Long-term Indebtedness	\$ 10,239,000	\$ 10,210,000	0.28	%
Per Capita	1,458	1,507	(3.24)	
General Fund Balance - December 31	\$ 4,242,092	\$ 3,876,239	9.44	%
Per Capita	604	572	5.59	

The purpose of this report is to provide a summary of financial information concerning the City of Jordan to interested citizens. The complete financial statements may be examined at 210 East 1st Street. Questions about this report should be directed to Morey Schaefer, Finance Director at 952-492-2535.

OTHER REQUIRED REPORTS

CITY OF JORDAN  
JORDAN, 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 Jordan, 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 governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Jordan 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 June 23, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Example failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the Minnesota Legal Compliance Audit Guide for Cities, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, except as described in the Schedule of Findings and Responses as item 2024-003. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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

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  
June 23, 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 Jordan, 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 Jordan, 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 June 23, 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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001 to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## The City's 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 were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## 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  
June 23, 2025



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

<u>Finding</u>	<u>Description</u>
<b>2024-001</b>	<b>Segregation of Duties</b>
<i>Condition:</i>	During our audit we reviewed internal control procedures over disbursements, cash receipts, utility billing, payroll and investments and found the City to have limited segregation of duties in these areas as noted below.
<i>Criteria:</i>	There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities.
<i>Effect:</i>	This indicates 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.

**Internal Control Over Disbursements**

*Cause:* As a result of the small number of staff, the Finance Director maintains various accounts payable records, initiates wire transfers, posts transactions to the general ledger and reconciles bank accounts.

*Recommendation:* It is important that the Council is aware of this condition and monitor all financial information. We recommend that an individual, separate from the Finance Director, review cancelled checks received with the bank statement and investigate items such as; void checks, inconsistencies in check number sequence, possible alterations and unusual payees. This individual should also review bank reconciliations for accuracy and timeliness of preparation. It is important that the Council is aware of this condition and monitor all financial information.

*Management Response:*

No progress has been made in addressing this finding in the current year.

**Internal Control Over Cash Receipts**

*Cause:* As a result of the small number of staff, the Finance Director maintains various accounts receivable records, posts transactions to the general ledger and reconciles bank accounts.

*Recommendation:* It is important that the Council is aware of this condition and monitor all financial information. Additional controls might include obtaining and reviewing monthly receipt information.

*Management Response:*

No progress has been made in addressing this finding in the current year.

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

<u>Finding</u>	<u>Description</u>
2024-001	<b>Segregation of Duties (Continued)</b>

**Internal Control Over Utility Billing**

*Cause:* As a result of the small number of staff, the Finance Director maintains various accounts receivable records, posts transactions to the general ledger and reconciles bank accounts.

*Recommendation:* It is important that the Council is aware of this condition and monitor all financial information. Additional controls could include approval of customer adjustments by someone other than the Accounting Clerk.

*Management Response:*

No progress has been made in addressing this finding in the current year.

**Internal Control Over Payroll**

*Cause:* As a result of the small number of staff, the Finance Director maintains various payroll records, posts transactions to the general ledger, reconciles bank accounts and prepares payroll tax returns.

*Recommendation:* It is important that the Council is aware of this condition and monitor all financial information. We recommend that in addition to approving payroll disbursements and wage rates the City Council review payroll registers, earnings records, and payroll reports periodically, and the amounts accrued for compensated absences on an annual basis to compensate for control deficiencies with respect to payroll accruals.

*Management Response:*

No progress has been made in addressing this finding in the current year.

**Internal Control Over Investments**

*Cause:* As a result of the small number of staff, the Finance Director maintains various investment records, initiates investment transactions, posts transactions to the general ledger and reconciles bank accounts.

*Recommendation:* It is important that the Council is aware of this condition and monitor all financial information.

*Management Response:*

No progress has been made in addressing this finding in the current year.

**Internal Control Over Journal Entries**

*Cause:* The Finance Director posts the majority of manual journal entries, which have not been through a formal approval process.

*Recommendation:* We recommend implementing a formal approval process for all manual journal entries.

*Management Response:*

The City will implement an approval process for manual journal entries going forward.

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

<u>Finding</u>	<u>Description</u>
<b>2024-002</b>	<b>Material Audit Adjustments</b>
<i>Condition:</i>	During our audit, material adjustments were needed to adjust debt, capital asset and payroll withholding activity.
<i>Criteria:</i>	The financial statements are the responsibility of the City's management.
<i>Cause:</i>	City staff has not prepared a year-end trial balance reflecting all necessary accounting entries.
<i>Effect:</i>	This indicates 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.
<i>Recommendation:</i>	We recommend that management review each journal entry, obtain an understanding of why the entry was necessary and modify current procedures to ensure that future corrections are not needed.
<i>Management Response:</i>	
	Management will review the audit adjustments and ensure all activity is accounted for properly in future audits.
<b>2024-003</b>	<b>Credit Card Purchases</b>
<i>Condition:</i>	During our audit, we reviewed a sample of purchases made by credit card for the City and found that improvement should be made related to the City's process of paying credit card vendors. In our sample we noted some purchases made by credit card that did not have invoices and receipts to support the charges.
<i>Criteria:</i>	Minnesota statute §15.17, subdivision 1, requires the City to preserve all records necessary for "a full and accurate knowledge of their official activities." Under Minnesota statute §471.38 all claims presented for payment must be in writing and itemized.
<i>Cause:</i>	The current process of disbursements to credit card vendors involves payments to those vendors prior to Council approval of these purchases. Currently, the City obtains verbal approval to use credit card or purchasing card at designated vendors. We found several instances where detailed receipts were not on file for these transactions and claims were not itemized.
<i>Effect:</i>	The City is out of compliance with Minnesota statutes.
<i>Recommendation:</i>	We recommend the City obtain all support of credit card purchases prior to payment of the related purchase and report itemized expenditures to City Council.
<i>Management Response:</i>	
	Management is aware that receipts should be kept for all transactions and will keep those receipts going forward as well as show the Council a full listing of credit card charges.