

City of Osseo

Financial Statements and
Supplementary Information

December 31, 2024

City of Osseo

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Independent Auditors' Report

To the City Council of
City of Osseo

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Osseo (the City), Wisconsin, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
March 12, 2025

City of Osseo

Statement of Net Position December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 3,931,988	\$ 4,157,152	\$ 8,089,140
Receivables:			
Taxes receivable	1,151,329	-	1,151,329
Accounts	24,599	235,309	259,908
Notes	57,661	-	57,661
Special assessments	32,566	-	32,566
Due from other governments	47,723	-	47,723
Inventories	-	29,667	29,667
Restricted assets:			
Cash and investments	-	3,319,042	3,319,042
Capital assets:			
Land	1,889,181	355,855	2,245,036
Construction in progress	37,655	11,594,418	11,632,073
Other capital assets net of depreciation	8,546,889	12,136,787	20,683,676
Total assets	15,719,591	31,828,230	47,547,821
Deferred Outflows of Resources			
Pension related amounts	533,626	169,178	702,804
Total deferred outflows of resources	533,626	169,178	702,804
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	65,679	1,157,217	1,222,896
Accrued liabilities	63,121	257,015	320,136
Noncurrent liabilities:			
Due within one year	196,459	14,174,133	14,370,592
Due in more than one year	2,256,891	5,981,774	8,238,665
Net pension liability	61,419	16,419	77,838
Total liabilities	2,643,569	21,586,558	24,230,127
Deferred Inflows of Resources			
Unearned revenues	1,130,372	-	1,130,372
Pension related amounts	317,072	100,079	417,151
Total deferred inflows of resources	1,447,444	100,079	1,547,523
Net Position			
Net investment in capital assets	8,086,603	6,942,082	15,028,685
Restricted for:			
Loan programs	7,515	-	7,515
Debt service	-	166,197	166,197
Equipment replacement	-	178,890	178,890
Holiday lights	14,733	-	14,733
Library	224,544	-	224,544
TIF expenses	1,569,120	-	1,569,120
Affordable housing	808,311	-	808,311
Unrestricted	1,451,378	3,023,602	4,474,980
Total net position	\$ 12,162,204	\$ 10,310,771	\$ 22,472,975

See notes to financial statements

City of Osseo

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 423,283	\$ 21,037	\$ 21,006	\$ 46,915	\$ (334,325)	\$ -	\$ (334,325)
Public safety	870,550	29,605	23,158	-	(817,787)	-	(817,787)
Public works	666,368	25,834	160,616	20,036	(459,882)	-	(459,882)
Health and human services	1,000	-	-	-	(1,000)	-	(1,000)
Culture, education and recreation	322,641	35,115	79,386	-	(208,140)	-	(208,140)
Conservation and development	72,723	7,300	50,146	-	(15,277)	-	(15,277)
Interest and fiscal charges	50,600	-	-	-	(50,600)	-	(50,600)
Total governmental activities	2,407,165	118,891	334,312	66,951	(1,887,011)	-	(1,887,011)
Business-type activities:							
Water	732,599	1,220,349	-	90,697	-	578,447	578,447
Sewer	1,361,610	859,372	-	3,000	-	(499,238)	(499,238)
Total business-type activities	2,094,209	2,079,721	-	93,697	-	79,209	79,209
Total	\$ 4,501,374	\$ 2,198,612	\$ 334,312	\$ 160,648	(1,887,011)	79,209	(1,807,802)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					930,232	-	930,232
Property taxes, levied for debt service					195,762	-	195,762
Property taxes, levied for TIF districts					20,365	-	20,365
Other taxes					24,901	-	24,901
Intergovernmental revenues not restricted to specific programs					315,757	-	315,757
Investment income					236,140	511,836	747,976
Miscellaneous					47,068	-	47,068
Total general revenues					1,770,225	511,836	2,282,061
Transfers					135,486	(135,486)	-
Change in net position					18,700	455,559	474,259
Net Position, Beginning					12,143,504	9,855,212	21,998,716
Net Position, Ending					\$ 12,162,204	\$ 10,310,771	\$ 22,472,975

See notes to financial statements

City of Osseo

Balance Sheet -
Governmental Funds
December 31, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets				
Cash and investments	\$ 1,495,981	\$ -	\$ 2,436,007	\$ 3,931,988
Receivables:				
Taxes	912,265	-	236,607	1,148,872
Delinquent personal property taxes	2,457	-	-	2,457
Accounts	23,823	-	776	24,599
Special assessments	31,719	-	-	31,719
Notes	-	-	57,661	57,661
Delinquent items held by County	847	-	-	847
Due from other funds	9,430	-	-	9,430
Due from other governments	<u>47,723</u>	<u>-</u>	<u>-</u>	<u>47,723</u>
Total assets	<u>\$ 2,524,245</u>	<u>\$ -</u>	<u>\$ 2,731,051</u>	<u>\$ 5,255,296</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 64,751	\$ -	\$ 928	\$ 65,679
Accrued liabilities	42,139	-	374	42,513
Due to other funds	<u>-</u>	<u>-</u>	<u>9,430</u>	<u>9,430</u>
Total liabilities	<u>106,890</u>	<u>-</u>	<u>10,732</u>	<u>117,622</u>
Deferred Inflows of Resources				
Unavailable revenues	55,202	-	57,661	112,863
Unearned revenues	<u>893,765</u>	<u>-</u>	<u>236,607</u>	<u>1,130,372</u>
Total deferred inflows of resources	<u>948,967</u>	<u>-</u>	<u>294,268</u>	<u>1,243,235</u>
Fund Balances				
Nonspendable	3,304	-	-	3,304
Restricted	224,544	-	2,342,019	2,566,563
Committed	-	-	93,537	93,537
Assigned	29,178	-	-	29,178
Unassigned (deficit)	<u>1,211,362</u>	<u>-</u>	<u>(9,505)</u>	<u>1,201,857</u>
Total fund balances	<u>1,468,388</u>	<u>-</u>	<u>2,426,051</u>	<u>3,894,439</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,524,245</u>	<u>\$ -</u>	<u>\$ 2,731,051</u>	<u>\$ 5,255,296</u>

See notes to financial statements

City of Osseo

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2024

Total Fund Balances, Governmental Funds \$ 3,894,439

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 3.	10,473,725
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	112,863
The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(61,419)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	533,626
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(317,072)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(2,171,987)
Compensated absences	(66,228)
Accrued interest	(20,608)
Unamortized premium on debt	<u>(215,135)</u>

Net Position of Governmental Activities \$ 12,162,204

City of Osseo

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 955,133	\$ -	\$ 216,127	\$ 1,171,260
Intergovernmental	577,057	-	17,766	594,823
Licenses and permits	20,857	-	-	20,857
Fines, forfeitures and penalties	20,658	-	-	20,658
Public charges for services	2,588	-	55,011	57,599
Special assessments	4,268	-	-	4,268
Investment income	230,439	-	5,701	236,140
Miscellaneous	96,249	-	29,768	126,017
Total revenues	<u>1,907,249</u>	<u>-</u>	<u>324,373</u>	<u>2,231,622</u>
Expenditures				
Current:				
General government	366,658	-	12,633	379,291
Public safety	841,093	-	-	841,093
Public works	371,193	-	44,732	415,925
Health and human services	1,000	-	-	1,000
Culture, recreation and education	158,502	-	97,864	256,366
Conservation and development	20,679	-	51,507	72,186
Capital outlay	-	342,700	-	342,700
Debt service:				
Principal	-	-	130,713	130,713
Interest and fiscal charges	-	-	65,152	65,152
Total expenditures	<u>1,759,125</u>	<u>342,700</u>	<u>402,601</u>	<u>2,504,426</u>
Excess (deficiency) of revenues over expenditures	<u>148,124</u>	<u>(342,700)</u>	<u>(78,228)</u>	<u>(272,804)</u>
Other Financing Sources				
Debt issued	-	232,700	-	232,700
Transfers in	135,486	110,000	854,033	1,099,519
Transfers out	(964,033)	-	-	(964,033)
Total other financing sources	<u>(828,547)</u>	<u>342,700</u>	<u>854,033</u>	<u>368,186</u>
Net change in fund balances	<u>(680,423)</u>	<u>-</u>	<u>775,805</u>	<u>95,382</u>
Fund Balances, Beginning	<u>2,148,811</u>	<u>-</u>	<u>1,650,246</u>	<u>3,799,057</u>
Fund Balances, Ending	<u>\$ 1,468,388</u>	<u>\$ -</u>	<u>\$ 2,426,051</u>	<u>\$ 3,894,439</u>

See notes to financial statements

City of Osseo

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

Net Change in Fund Balances, Total Governmental Funds	\$	95,382
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	342,700
Some items reported as capital outlay were not capitalized	(1,216)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	23,410
Net book value of capital assets disposed	(9,067)
Depreciation is reported in the government-wide financial statements	(397,158)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments	(3,711)
Charges placed on tax roll	19,479
Notes receivable	50,146

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt issued	(232,700)
Principal repaid	130,713

Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.

Amortization	12,655
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Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(34,394)
Accrued interest on debt	1,897
Pension liability and related deferred outflows and inflows of resources	20,564

Change in Net Position of Governmental Activities	\$	18,700
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City of Osseo

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Assets			
Current assets:			
Cash and investments	\$ 2,491,925	\$ 1,665,227	\$ 4,157,152
Receivables:			
Accounts	118,720	116,589	235,309
Inventories	15,005	14,662	29,667
Restricted assets:			
Restricted cash and investments	<u>150,809</u>	<u>2,989,343</u>	<u>3,140,152</u>
Total current assets	<u>2,776,459</u>	<u>4,785,821</u>	<u>7,562,280</u>
Noncurrent assets:			
Restricted assets:			
Restricted cash and investments	5,022	173,868	178,890
Capital assets:			
Land	257,453	98,402	355,855
Construction in progress	100,875	11,493,543	11,594,418
Other capital assets	11,850,513	5,894,173	17,744,686
Less accumulated depreciation	<u>(2,634,100)</u>	<u>(2,973,799)</u>	<u>(5,607,899)</u>
Total noncurrent assets	<u>9,579,763</u>	<u>14,686,187</u>	<u>24,265,950</u>
Total assets	<u>12,356,222</u>	<u>19,472,008</u>	<u>31,828,230</u>
Deferred Outflows of Resources			
Pension related amounts	<u>88,250</u>	<u>80,928</u>	<u>169,178</u>
Total deferred outflows of resources	<u>88,250</u>	<u>80,928</u>	<u>169,178</u>

See notes to financial statements

City of Osseo

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 12,553	\$ 1,144,664	\$ 1,157,217
Accrued wages	5,932	5,678	11,610
Accrued interest	3,583	226,434	230,017
Current portion of general obligation debt	15,000	20,000	35,000
Current portion of compensated absences	4,259	4,259	8,518
Liabilities payable from restricted assets:			
Current portion revenue bonds	148,615	13,982,000	14,130,615
Accrued interest	<u>15,388</u>	<u>-</u>	<u>15,388</u>
Total current liabilities	<u>205,330</u>	<u>15,383,035</u>	<u>15,588,365</u>
Noncurrent liabilities:			
Long-term debt:			
Revenue bonds payable	5,170,227	-	5,170,227
General obligation bonds payable	380,000	410,000	790,000
Unamortized premium	4,053	4,426	8,479
Net pension liability	8,417	8,002	16,419
Compensated absences	<u>6,534</u>	<u>6,534</u>	<u>13,068</u>
Total noncurrent liabilities	<u>5,569,231</u>	<u>428,962</u>	<u>5,998,193</u>
Total liabilities	<u>5,774,561</u>	<u>15,811,997</u>	<u>21,586,558</u>
Deferred Inflows of Resources			
Pension related amounts	<u>51,560</u>	<u>48,519</u>	<u>100,079</u>
Total deferred inflows of resources	<u>51,560</u>	<u>48,519</u>	<u>100,079</u>
Net Position			
Net investment in capital assets	3,856,846	3,085,236	6,942,082
Restricted for:			
Debt service	166,197	-	166,197
Depreciation/equipment replacement	5,022	173,868	178,890
Unrestricted	<u>2,590,286</u>	<u>433,316</u>	<u>3,023,602</u>
Total net position	<u>\$ 6,618,351</u>	<u>\$ 3,692,420</u>	<u>\$ 10,310,771</u>

See notes to financial statements

City of Osseo

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Operating Revenues	\$ 1,220,349	\$ 859,372	\$ 2,079,721
Operating Expenses			
Operation and maintenance	351,834	599,845	951,679
Depreciation	271,334	133,968	405,302
Taxes	11,130	10,457	21,587
	<u>634,298</u>	<u>744,270</u>	<u>1,378,568</u>
Total operating expenses			
	<u>634,298</u>	<u>744,270</u>	<u>1,378,568</u>
Operating income	<u>586,051</u>	<u>115,102</u>	<u>701,153</u>
Nonoperating Revenues (Expenses)			
Investment income	103,605	408,231	511,836
Interest and fiscal charges	(98,301)	(617,340)	(715,641)
	<u>5,304</u>	<u>(209,109)</u>	<u>(203,805)</u>
Total nonoperating revenues (expenses)			
	<u>5,304</u>	<u>(209,109)</u>	<u>(203,805)</u>
Income before contributions and transfers	<u>591,355</u>	<u>(94,007)</u>	<u>497,348</u>
Contributions and Transfers			
Capital contributions	90,697	3,000	93,697
Transfers out	(135,486)	-	(135,486)
	<u>(44,789)</u>	<u>3,000</u>	<u>(41,789)</u>
Total contributions and transfers			
	<u>(44,789)</u>	<u>3,000</u>	<u>(41,789)</u>
Change in net position	546,566	(91,007)	455,559
Net Position, Beginning	<u>6,071,785</u>	<u>3,783,427</u>	<u>9,855,212</u>
Net Position, Ending	<u><u>\$ 6,618,351</u></u>	<u><u>\$ 3,692,420</u></u>	<u><u>\$ 10,310,771</u></u>

See notes to financial statements

City of Osseo

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total</u>
Cash Flows From Operating Activities			
Received from customers	\$ 1,075,954	\$ 808,516	\$ 1,884,470
Received from city for fire protection	142,055	-	142,055
Paid to suppliers for goods and services	(221,912)	(496,653)	(718,565)
Paid to employees for services	<u>(136,397)</u>	<u>(132,081)</u>	<u>(268,478)</u>
Net cash flows from operating activities	<u>859,700</u>	<u>179,782</u>	<u>1,039,482</u>
Cash Flows From Investing Activities			
Investment income	<u>103,605</u>	<u>408,231</u>	<u>511,836</u>
Net cash flows from investing activities	<u>103,605</u>	<u>408,231</u>	<u>511,836</u>
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	<u>(135,486)</u>	<u>-</u>	<u>(135,486)</u>
Net cash flows from noncapital financing activities	<u>(135,486)</u>	<u>-</u>	<u>(135,486)</u>
Cash Flows From Capital and Related Financing Activities			
Debt issued	461,173	3,445,357	3,906,530
Debt retired	(148,382)	(20,000)	(168,382)
Interest paid and debt issuance costs	(98,166)	(456,582)	(554,748)
Acquisition and construction of capital assets	(365,048)	(8,152,217)	(8,517,265)
Contributions in aid of construction	<u>90,697</u>	<u>3,000</u>	<u>93,697</u>
Net cash flows from capital and related financing activities	<u>(59,726)</u>	<u>(5,180,442)</u>	<u>(5,240,168)</u>
Net change in cash and cash equivalents	768,093	(4,592,429)	(3,824,336)
Cash and Cash Equivalents, Beginning	<u>1,879,663</u>	<u>9,420,867</u>	<u>11,300,530</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 2,647,756</u></u>	<u><u>\$ 4,828,438</u></u>	<u><u>\$ 7,476,194</u></u>

See notes to financial statements

City of Osseo

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Total
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	\$ 586,051	\$ 115,102	\$ 701,153
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	271,334	133,968	405,302
Depreciation charged to other funds	7,698	(7,698)	-
Changes in assets, deferred outflows, liabilities and deferred inflows:			
Receivables	(10,038)	(43,158)	(53,196)
Accounts payable	4,237	(21,685)	(17,448)
Accrued expenses	6,665	6,665	13,330
Other current liabilities	(1,202)	1,121	(81)
Pension related deferrals and asset/liability	(5,045)	(4,533)	(9,578)
Net cash flows from operating activities	<u>\$ 859,700</u>	<u>\$ 179,782</u>	<u>\$ 1,039,482</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments	\$ 2,491,925	\$ 1,665,227	\$ 4,157,152
Restricted cash and investments:			
Current, statement of net position	150,809	2,989,343	3,140,152
Noncurrent, statement of net position	5,022	173,868	178,890
Cash and cash equivalents	<u>\$ 2,647,756</u>	<u>\$ 4,828,438</u>	<u>\$ 7,476,194</u>
Noncash Capital and Related Financing Activities			
Amortization of premium	<u>\$ 238</u>	<u>\$ 260</u>	
Capital assets acquired via accounts payable	<u>\$ 3,839</u>	<u>\$ 1,136,093</u>	

See notes to financial statements

City of Osseo

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2024

	Custodial Fund Tax Collection Fund
Assets	
Cash and investments	\$ 1,212,881
Taxes receivable	<u>1,501,877</u>
Total assets	<u>2,714,758</u>
Liabilities	
Due to other governments	<u>2,714,758</u>
Total liabilities	<u>2,714,758</u>
Net Position	
Total net position	<u>\$ -</u>

See notes to financial statements

City of Osseo

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2024

	Custodial Fund Tax Collection Fund
Additions	
Property taxes collected for other governments	\$ 1,817,873
Total additions	<u>1,817,873</u>
Deductions	
Property taxes distributed to other governments	<u>1,817,873</u>
Total deductions	<u>1,817,873</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

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1. Summary of Significant Accounting Policies

The accounting policies of the City of Osseo, Wisconsin (the City) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The City has not identified any organizations that meet this criteria.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of implementation was not material.

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Capital Projects Fund

Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities, equipment and other capital assets.

Enterprise Funds

The City reports the following major enterprise funds:

Water Utility accounts for operations of the Water system.

Sewer Utility accounts for operations of the Sewer system.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Swimming Pool
Holiday Lights
Recycling Program
Housing Rehabilitation
Affordable Housing

Debt Service Fund

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

Debt Service Fund

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF #3

TIF #4

In addition, the City reports the following fund type:

Custodial Fund

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 water and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The City has not adopted an investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated to the general fund. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3 for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025
Tax sale - 2024 delinquent real estate taxes	October 2027

Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant. In addition, no allowance for uncollectible accounts has been made for any other receivables.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

Inventories

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO and charged to construction and/or operation and maintenance expense when used.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$2,500 general capital assets and \$25,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	25-60 Years
Machinery and Equipment	10-40 Years
Utility System	7-100 Years
Infrastructure	10-35 Years

Fund Financial Statements

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

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Vacation and sick leave pay is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

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

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions 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.

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

City of Osseo

Notes to Financial Statements
December 31, 2024

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Basis for Existing Rates

Water and Sewer Utilities

Current water rates were authorized under #4490-WR-104, which were effective for services rendered on or after May 1, 2022.

Current sewer rates were approved by the City Council May 13, 2024 and went into effect July 1, 2024.

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

Budgeted expenditures in the general fund (including amendments) were \$1,770,532. Total expenditures were \$2,723,158. This results in excess expenditures of \$952,626.

The City controls expenditures at the function level. Some individual functions experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2024, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF #4 Capital Projects Fund	\$ 9,505	Expenditures in excess of revenues

City of Osseo

Notes to Financial Statements
December 31, 2024

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits	\$ 12,621,013	\$ 12,666,425	Custodial credit risk
Petty cash	<u>50</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 12,621,063</u>	<u>\$ 12,666,425</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 8,089,140		
Restricted cash and investments	3,319,042		
Per statement of net position, fiduciary fund:			
Custodial fund	<u>1,212,881</u>		
Total deposits and investments	<u>\$ 12,621,063</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

At December 31, 2024, the City's bank deposits were secured by a Federal Home Loan Bank letter of credit in the amount of \$14,750,000.

City of Osseo

Notes to Financial Statements
December 31, 2024

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$28,850 in the general fund and \$52,999 in the nonmajor governmental funds.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 1,130,372	\$ 23,483
Special assessments not due yet	-	31,719
Loans receivable	-	57,661
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 1,130,372</u>	<u>\$ 112,863</u>

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

City of Osseo

Notes to Financial Statements
December 31, 2024

Following is a list of restricted assets at December 31, 2024:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 150,809	\$ 15,388	\$ 166,197
Depreciation account	5,022	-	5,022
Construction account	2,989,343	-	N/A
Equipment replacement account	173,868	-	173,868
Total	\$ 3,319,042	\$ 15,388	\$ 345,087

Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,891,338	\$ -	\$ 2,157	\$ 1,889,181
Construction in progress	29,145	10,420	1,910	37,655
Total capital assets not being depreciated	1,920,483	10,420	4,067	1,926,836
Capital assets being depreciated:				
Buildings	3,045,017	-	-	3,045,017
Machinery and equipment	1,916,471	354,474	95,184	2,175,761
Roads	10,020,787	-	-	10,020,787
Storm sewers	2,537,588	-	-	2,537,588
Dams	362,215	-	-	362,215
Sidewalks	310,661	-	-	310,661
Total capital assets being depreciated	18,192,739	354,474	95,184	18,452,029
Total capital assets	20,113,222	364,894	99,251	20,378,865
Less accumulated depreciation for:				
Buildings	(1,506,077)	(71,531)	-	(1,577,608)
Machinery and equipment	(948,851)	(91,920)	90,184	(950,587)
Roads	(5,403,665)	(166,084)	-	(5,569,749)
Storm sewers	(1,273,336)	(56,285)	-	(1,329,621)
Dams	(362,215)	-	-	(362,215)
Sidewalks	(104,022)	(11,338)	-	(115,360)
Total accumulated depreciation	(9,598,166)	(397,158)	90,184	(9,905,140)
Net capital assets being depreciated	8,594,573	(42,684)	5,000	8,546,889
Total governmental activities capital assets, net as reported in the statement of net position	\$ 10,515,056	\$ (32,264)	\$ 9,067	\$ 10,473,725

City of Osseo

Notes to Financial Statements
December 31, 2024

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 35,411
Public safety	31,216
Public works, which includes the depreciation of infrastructure	275,484
Culture, recreation and education	54,510
Conservation and development	<u>537</u>
Total governmental activities depreciation expense	<u>\$ 397,158</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 135,833	\$ 121,620	\$ -	\$ 257,453
Construction in progress	<u>5,843,403</u>	<u>123,709</u>	<u>5,866,237</u>	<u>100,875</u>
Total capital assets not being depreciated	<u>5,979,236</u>	<u>245,329</u>	<u>5,866,237</u>	<u>358,328</u>
Capital assets being depreciated:				
Land improvements	18,826	1,868	-	20,694
Buildings and improvements	642,257	443,433	74,063	1,011,627
Machinery and equipment	55,030	4,568,435	55,029	4,568,436
Water mains	5,280,961	141,252	-	5,422,213
General plant	<u>136,147</u>	<u>691,396</u>	<u>-</u>	<u>827,543</u>
Total capital assets being depreciated	<u>6,133,221</u>	<u>5,846,384</u>	<u>129,092</u>	<u>11,850,513</u>
Total capital assets	<u>12,112,457</u>	<u>6,091,713</u>	<u>5,995,329</u>	<u>12,208,841</u>
Less accumulated depreciation for:				
Water plant	<u>(2,484,160)</u>	<u>(279,032)</u>	<u>129,092</u>	<u>(2,634,100)</u>
Total accumulated depreciation	<u>(2,484,160)</u>	<u>(279,032)</u>	<u>129,092</u>	<u>(2,634,100)</u>
Net capital assets being depreciated	<u>3,649,061</u>	<u>5,567,352</u>	<u>-</u>	<u>9,216,413</u>
Net water capital assets	<u>\$ 9,628,297</u>	<u>\$ 5,812,681</u>	<u>\$ 5,866,237</u>	<u>\$ 9,574,741</u>

City of Osseo

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 98,402	\$ -	\$ -	\$ 98,402
Construction in progress	<u>2,629,579</u>	<u>8,863,964</u>	<u>-</u>	<u>11,493,543</u>
Total capital assets not being depreciated	<u>2,727,981</u>	<u>8,863,964</u>	<u>-</u>	<u>11,591,945</u>
Capital assets being depreciated:				
Land improvements	3,277,078	-	-	3,277,078
Buildings and improvements	205,266	-	-	205,266
Machinery and equipment	2,201,800	-	-	2,201,800
General plant	<u>210,029</u>	<u>-</u>	<u>-</u>	<u>210,029</u>
Total capital assets being depreciated	<u>5,894,173</u>	<u>-</u>	<u>-</u>	<u>5,894,173</u>
Total capital assets	<u>8,622,154</u>	<u>8,863,964</u>	<u>-</u>	<u>17,486,118</u>
Less accumulated depreciation for:				
Sewer plant	<u>(2,847,529)</u>	<u>(126,270)</u>	<u>-</u>	<u>(2,973,799)</u>
Total accumulated depreciation	<u>(2,847,529)</u>	<u>(126,270)</u>	<u>-</u>	<u>(2,973,799)</u>
Net capital assets being depreciated	<u>3,046,644</u>	<u>(126,270)</u>	<u>-</u>	<u>2,920,374</u>
Net sewer capital assets	<u>\$ 5,774,625</u>	<u>\$ 8,737,694</u>	<u>\$ -</u>	<u>\$ 14,512,319</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 15,402,922</u>	<u>\$ 14,550,375</u>	<u>\$ 5,866,237</u>	<u>\$ 24,087,060</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 271,334
Sewer	<u>133,968</u>
Total business-type activities depreciation expense	<u>\$ 405,302</u>

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations or costs associated with the disposal of assets.

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TIF #4	\$ 9,430
Total, fund financial statements		<u>\$ 9,430</u>

All amounts are due within one year.

City of Osseo

Notes to Financial Statements
December 31, 2024

The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Swimming Pool	General Fund	\$ 38,800	Operating subsidy
Debt Service	General Fund	14	Operating subsidy
Capital Projects	General Fund	110,000	Operating subsidy
Recycling Program	General Fund	6,908	Operating subsidy
Affordable Housing	General Fund	808,311	Creation of new fund
General Fund	Water Utility	<u>135,486</u>	Payment of tax equivalent
Total, fund financial statements		1,099,519	
Less fund eliminations		<u>(964,033)</u>	
Total transfers, government-wide statement of activities		<u>\$ 135,486</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Osseo

Notes to Financial Statements
December 31, 2024

Long-Term Obligations

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 1,925,000	\$ -	\$ 105,000	\$ 1,820,000	\$ 110,000
General obligation debt from direct borrowings and direct placements	145,000	232,700	25,713	351,987	46,750
(Discounts)/Premiums:					
Bond premium	<u>227,790</u>	<u>-</u>	<u>12,655</u>	<u>215,135</u>	<u>-</u>
Total bonds and notes payable	<u>2,297,790</u>	<u>232,700</u>	<u>143,368</u>	<u>2,387,122</u>	<u>156,750</u>
Other liabilities:					
Compensated absences*	<u>31,834</u>	<u>34,394</u>	<u>-</u>	<u>66,228</u>	<u>39,709</u>
Total other liabilities	<u>31,834</u>	<u>34,394</u>	<u>-</u>	<u>66,228</u>	<u>39,709</u>
Total governmental activities long-term liabilities	<u>\$ 2,329,624</u>	<u>\$ 267,094</u>	<u>\$ 143,368</u>	<u>\$ 2,453,350</u>	<u>\$ 196,459</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 860,000	\$ -	\$ 35,000	\$ 825,000	\$ 35,000
Revenue bond anticipation notes	10,536,643	3,445,357	-	13,982,000	13,982,000
Revenue debt from direct borrowings and direct placements	4,991,051	461,173	133,382	5,318,842	148,615
(Discounts)/Premiums:					
Bond premium	<u>8,977</u>	<u>-</u>	<u>498</u>	<u>8,479</u>	<u>-</u>
Total bonds and notes payable	<u>16,396,671</u>	<u>3,906,530</u>	<u>168,880</u>	<u>20,134,321</u>	<u>14,165,615</u>
Other liabilities:					
Compensated absences*	<u>8,256</u>	<u>13,330</u>	<u>-</u>	<u>21,586</u>	<u>8,518</u>
Total other liabilities	<u>8,256</u>	<u>13,330</u>	<u>-</u>	<u>21,586</u>	<u>8,518</u>
Total business-type activities long-term liabilities	<u>\$ 16,404,927</u>	<u>\$ 3,919,860</u>	<u>\$ 168,880</u>	<u>\$ 20,155,907</u>	<u>\$ 14,174,133</u>

*The change in the compensated absences liability is presented as a net change.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2024, was \$10,924,255. Total general obligation debt outstanding at year end was \$2,996,987.

City of Osseo

Notes to Financial Statements
December 31, 2024

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>					Balance
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2024
2021 G.O. Corporate Purpose Bonds	05/21	03/41	2.0-5.0%	\$ 2,035,000	\$ 1,820,000
2023 G.O. Bank loan**	04/23	06/28	4.93	145,000	119,287
2024 G.O. Bank loan**	08/24	08/34	5.89	232,700	232,700
Total governmental activities, general obligation debt					<u>\$ 2,171,987</u>

** considered direct placement or direct borrowing

<u>Business-Type Activities</u>					Balance
General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2024
2021 G.O. Corporate Purpose Bonds	05/21	03/41	2.0-5.0%	\$ 910,000	\$ 825,000
Total business-type activities, general obligation debt					<u>\$ 825,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>General Obligation Debt</u>		<u>Business-Type Activities</u> <u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 110,000	\$ 51,050	\$ 35,000	\$ 21,625
2026	110,000	45,550	40,000	19,750
2027	115,000	39,925	40,000	17,750
2028	120,000	34,050	40,000	15,750
2029	125,000	27,925	45,000	13,625
2030-2034	485,000	100,050	245,000	50,450
2035-2039	530,000	49,500	265,000	25,050
2040-2041	225,000	4,550	115,000	2,350
Total	<u>\$ 1,820,000</u>	<u>\$ 352,600</u>	<u>\$ 825,000</u>	<u>\$ 166,350</u>

<u>Years</u>	<u>Governmental Activities</u> <u>General Obligation Debt From</u> <u>Direct Borrowings and Direct</u> <u>Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 46,750	\$ 18,293
2026	47,796	17,247
2027	48,903	16,140
2028	53,333	11,710
2029	22,315	9,142
2030-2034	132,890	24,390
Total	<u>\$ 351,987</u>	<u>\$ 96,922</u>

City of Osseo

Notes to Financial Statements
December 31, 2024

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water utility.

The water utility has pledged future water revenues, net of specified operating expenses, to repay revenue bonds issued in 2022. Proceeds from the bonds provided financing for the water treatment upgrades. The bonds are payable solely from water revenues and are payable through 2052. Annual principal and interest payments on the bonds are expected to require 28.10% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,734,910. Principal and interest paid for the current year and total customer net revenues were \$220,424 and \$857,385, respectively.

Revenue debt payable at December 31, 2024, consists of the following:

Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
Water Utility					
2022 Water System Revenue Bond**	05/22	05/52	1.76%	\$ 5,538,943	\$ 5,318,842
Total business-type activities, revenue debt					<u>\$ 5,318,842</u>

** - Considered direct placement or direct borrowing

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt From Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 148,615	\$ 91,663
2026	151,231	89,665
2027	153,893	86,980
2028	156,601	84,248
2029	159,357	81,467
2030-2034	839,858	363,887
2035-2039	916,413	286,658
2040-2044	999,946	202,389
2045-2049	1,091,094	110,439
2050-2052	701,834	18,672
Total	<u>\$ 5,318,842</u>	<u>\$ 1,416,068</u>

Business-Type Activities

<u>Bond Anticipation Notes</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
2022A Revenue Bond Anticipation Note	09/22	05/25	3.74%	\$ 5,125,000	\$ 5,125,000
2023A Revenue Bond Anticipation Note	11/23	03/25	5.43	8,857,000	<u>8,857,000</u>
Total business-type activities bond anticipation notes					<u>\$ 13,982,000</u>

City of Osseo

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities Bond Anticipation Notes	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 13,982,000	\$ 427,084
Total	<u>\$ 13,982,000</u>	<u>\$ 427,084</u>

Other Debt Information

The City's 2023 and 2024 G.O. loans outstanding as of December 31, 2024, totaling \$351,987, are direct borrowings; these loans contain terms that in the event of default, the unpaid balance shall automatically mature and become immediately due and payable.

The City's outstanding debt from direct borrowings or direct placement related to the water utility of \$5,318,842 contain provisions that (1) any delinquent payments can be deducted from any state payments that are due to the City or a special charge may be added to the taxes apportioned to and levied upon the County in which the City is located and (2) in an event of default, outstanding amounts become immediately due and payable or the interest rate may be increased to the market interest rate.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2024, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 1,889,181
Construction in progress	37,655
Other capital assets, net of accumulated depreciation	8,546,889
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(2,171,987)
Less unamortized debt premium	<u>(215,135)</u>
Total net investment in capital assets	<u>\$ 8,086,603</u>

City of Osseo

Notes to Financial Statements
December 31, 2024

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances			
Nonspendable:			
Delinquent personal property taxes and special assessments	\$ 3,304	\$ -	\$ 3,304
Subtotal	<u>3,304</u>	<u>-</u>	<u>3,304</u>
Restricted for:			
Library	224,544	-	224,544
Holiday lights expenditures	-	14,733	14,733
Affordable housing	-	758,166	758,166
TIF expenditures	-	1,569,120	1,569,120
Subtotal	<u>224,544</u>	<u>2,342,019</u>	<u>2,566,563</u>
Committed to:			
Swimming pool expenditures	-	52,478	52,478
Recycling program expenditures	-	41,059	41,059
Subtotal	<u>-</u>	<u>93,537</u>	<u>93,537</u>
Assigned to:			
2025 budgeted expenditures	<u>29,178</u>	<u>-</u>	<u>29,178</u>
Unassigned (Deficit):	<u>1,211,362</u>	<u>(9,505)</u>	<u>1,201,857</u>
Total fund balances	<u>\$ 1,468,388</u>	<u>\$ 2,426,051</u>	<u>\$ 3,894,439</u>
Business-Type Activities			
Net investment in capital assets:			
Land		\$ 355,855	
Construction in progress		11,594,418	
Other capital assets, net of accumulated depreciation		12,136,787	
Less long-term debt outstanding (excluding unspent capital related debt proceeds)		(17,136,499)	
Less unamortized debt premium		<u>(8,479)</u>	
Total net investment in capital assets		<u>\$ 6,942,082</u>	

4. Other Information**Employees' Retirement System****Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$75,531 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2024 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the City reported a liability of \$77,838 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.00523526%, which was an increase of 0.00033674% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$45,452.

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 projected and actual experience	\$ 313,842	\$ 415,686
Changes in assumptions	33,927	-
Net differences between projected and actual earnings on pension plan investments	271,253	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	346	1,465
Employer contributions subsequent to the measurement date	<u>83,436</u>	<u>-</u>
Total	<u><u>\$ 702,804</u></u>	<u><u>\$ 417,151</u></u>

\$83,436 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ 41,267
2026	43,395
2027	169,900
2028	(52,345)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018-December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	\$ 752,343	\$ 77,838	\$ (394,141)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2024, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City formerly operated a landfill located in the Town of Sumner. The City shares the responsibility for monitoring this landfill. The City's share of monitoring costs is approximately \$1,000 annually. There is no estimated final monitoring date or anticipated change in the frequency of monitoring at this site.

The City has open contracts related to the wastewater treatment plant upgrade project. Contracts related to the project total \$14,033,977. As of December 31, 2024 approximately \$5,018,000 remains to be spent on the contracts.

Joint Ventures**Fire Department**

The City of Osseo and the Townships of Garfield, Otter Creek, Sumner, and Hale jointly operate the fire department, which is called the Osseo Rural Fire Department (District) and provides fire protection services. The communities share in the annual operation of the District pro-rata based on population and equalized values of each community.

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the District. The City is obligated by the joint venture agreement to remit an amount annually to the District. The City made a payment to the District of \$135,567 in 2024.

Financial information of the Fire Department as of December 31, 2024 is available directly from the Fire Department's office.

The City does not have an equity interest in the Fire Department.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Osseo

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 1,053,770	\$ 955,133	\$ (98,637)
Intergovernmental	486,521	577,057	90,536
Licenses and permits	17,285	20,857	3,572
Fines, forfeitures and penalties	15,200	20,658	5,458
Public charges for services	3,500	2,588	(912)
Special assessments	6,745	4,268	(2,477)
Investment income	143,523	230,439	86,916
Miscellaneous	43,988	96,249	52,261
Total revenues	<u>1,770,532</u>	<u>1,907,249</u>	<u>136,717</u>
Expenditures			
Current:			
General government	360,019	366,658	(6,639)
Public safety	837,972	841,093	(3,121)
Public works	410,088	371,193	38,895
Health and human services	1,150	1,000	150
Culture, recreation and education	91,500	158,502	(67,002)
Conservation and development	6,900	20,679	(13,779)
Total expenditures	<u>1,707,629</u>	<u>1,759,125</u>	<u>(51,496)</u>
Excess of revenues over expenditures	<u>62,903</u>	<u>148,124</u>	<u>85,221</u>
Other Financing Sources (Uses)			
Transfers in	-	135,486	135,486
Transfers out	(62,903)	(964,033)	(901,130)
Total other financing sources (uses)	<u>(62,903)</u>	<u>(828,547)</u>	<u>(765,644)</u>
Net change in fund balance	-	(680,423)	(680,423)
Fund Balance, Beginning	<u>2,148,811</u>	<u>2,148,811</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,148,811</u>	<u>\$ 1,468,388</u>	<u>\$ (680,423)</u>

See notes to required supplementary information

City of Osseo

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability) -
 Wisconsin Retirement System (WRS)
 Year Ended December 31, 2024

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.00523526%	\$ (77,838)	\$ 816,698	9.53%	98.85%
12/31/22	0.00489852%	(259,509)	705,894	36.76%	95.72%
12/31/21	0.00480830%	387,557	658,925	58.82%	106.02%
12/31/20	0.00482456%	301,203	624,758	48.21%	105.26%
12/31/19	0.00482008%	155,421	633,906	24.52%	102.96%
12/31/18	0.00486350%	(173,028)	625,611	27.66%	96.45%
12/31/17	0.00486132%	144,338	592,876	24.35%	102.93%
12/31/16	0.00490759%	(40,450)	624,297	6.48%	99.12%
12/31/15	0.00494391%	(80,338)	616,022	13.04%	98.20%
12/31/14	0.00498131%	122,355	593,641	20.61%	102.74%

Schedule of Employer Contributions - Wisconsin Retirement System (WRS)
 Year Ended December 31, 2024

City's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 83,436	\$ (83,436)	\$ -	\$ 857,774	9.73%
12/31/23	75,594	(75,594)	-	816,698	9.26%
12/31/22	59,844	(59,844)	-	705,894	8.48%
12/31/21	56,822	(56,822)	-	658,926	8.62%
12/31/20	53,840	(53,840)	-	624,728	8.62%
12/31/19	50,760	(50,760)	-	633,907	8.01%
12/31/18	51,154	(51,154)	-	625,611	8.18%
12/31/17	48,232	(48,232)	-	592,876	8.14%
12/31/16	47,270	(47,270)	-	624,297	7.57%
12/31/15	50,237	(50,237)	-	616,022	8.16%

See notes to required supplementary information

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level of expenditure.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

City of Osseo

Detailed Schedule of Revenues - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance With Final Budget
Taxes			
General property taxes	\$ 930,232	\$ 930,232	\$ -
Mobile home taxes	3,500	1,970	(1,530)
Payment in lieu of taxes	102,038	38	(102,000)
Room taxes	18,000	22,893	4,893
Total taxes	<u>1,053,770</u>	<u>955,133</u>	<u>(98,637)</u>
Intergovernmental Revenues			
State aid, general government	17,156	21,006	3,850
State shared revenues	306,264	306,264	-
Fire insurance tax (2% fire dues)	7,900	8,689	789
State aid, general transportation aids	147,154	147,154	-
State aid, law enforcement improvement	1,200	1,200	-
Federal aid	-	46,915	46,915
County aid, libraries	-	40,640	40,640
Other state payments	4,847	3,189	(1,658)
Other local government contributions	2,000	2,000	-
Total intergovernmental revenues	<u>486,521</u>	<u>577,057</u>	<u>90,536</u>
Licenses and Permits			
Business and occupational licenses	4,025	4,545	520
Liquor and malt beverage licenses	7,100	7,205	105
Cigarette licenses	900	1,000	100
Mobile home park licenses	200	200	-
Dog licenses	600	949	349
Building permits	4,000	6,488	2,488
Other regulatory permits and fees	460	470	10
Total licenses and permits	<u>17,285</u>	<u>20,857</u>	<u>3,572</u>
Fines, Forfeitures and Penalties			
Law and ordinance violations	<u>15,200</u>	<u>20,658</u>	<u>5,458</u>
Public Charges for Services			
Publication fees	250	180	(70)
Law enforcement fees	250	258	8
Fire protection fees	1,000	-	(1,000)
Recycling	2,000	2,150	150
Total public charges for services	<u>3,500</u>	<u>2,588</u>	<u>(912)</u>
Special Assessments			
Street improvements	<u>6,745</u>	<u>4,268</u>	<u>(2,477)</u>
Investment Income			
Interest on investments	141,350	228,938	87,588
Interest on special assessments	2,173	1,501	(672)
Total investment income	<u>143,523</u>	<u>230,439</u>	<u>86,916</u>
Miscellaneous			
Sale of property	32,000	38,735	6,735
Insurance recoveries	-	1,344	1,344
Donations	-	34,601	34,601
Other miscellaneous	11,988	21,569	9,581
Total miscellaneous	<u>43,988</u>	<u>96,249</u>	<u>52,261</u>
Total revenues	<u>\$ 1,770,532</u>	<u>\$ 1,907,249</u>	<u>\$ 136,717</u>

City of Osseo

Detailed Schedule of Expenditures - Budget and Actual -
General Fund
Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Government			
Council	\$ 25,909	\$ 26,364	\$ (455)
Legal	26,000	34,421	(8,421)
Mayor	5,921	5,921	-
Clerk	154,536	150,679	3,857
Elections	5,614	3,478	2,136
Assessment of property	7,189	7,189	-
Board of review	400	400	-
Independent auditing	44,500	44,819	(319)
General buildings/plant/hall	46,950	45,382	1,568
Property and liability insurance	25,000	25,713	(713)
Other insurance	13,000	18,221	(5,221)
Other general government	5,000	4,071	929
Total general government	<u>360,019</u>	<u>366,658</u>	<u>(6,639)</u>
Public Safety			
Police	529,012	533,163	(4,151)
Police car expenditures	23,000	19,332	3,668
Fire protection	141,905	145,995	(4,090)
Hydrant rental	142,055	142,055	-
Other public safety	2,000	548	1,452
Total public safety	<u>837,972</u>	<u>841,093</u>	<u>(3,121)</u>
Public Works			
Highway and street maintenance and construction	324,640	272,813	51,827
Garages and sheds	18,500	16,366	2,134
Engineering	10,000	31,592	(21,592)
Curb and gutter	2,500	686	1,814
Sidewalks	4,000	1,216	2,784
Street signs	4,000	3,354	646
Street lighting	41,500	40,941	559
Refuse and garbage collection	3,700	2,977	723
Solid waste disposal	1,248	1,248	-
Total public works	<u>410,088</u>	<u>371,193</u>	<u>38,895</u>
Health and Human Services			
Animal control	150	-	150
Cemetery	1,000	1,000	-
Total health and human services	<u>1,150</u>	<u>1,000</u>	<u>150</u>
Culture, Recreation and Education			
Parks	19,500	36,150	(16,650)
Library	60,000	110,067	(50,067)
Celebrations and entertainment	12,000	12,285	(285)
Total culture, recreation and education	<u>91,500</u>	<u>158,502</u>	<u>(67,002)</u>
Conservation and Development			
Zoning	900	1,367	(467)
Other conservation and development	6,000	2,562	3,438
Economic development	-	16,750	(16,750)
Total conservation and development	<u>6,900</u>	<u>20,679</u>	<u>(13,779)</u>
Total expenditures	<u>\$ 1,707,629</u>	<u>\$ 1,759,125</u>	<u>\$ (51,496)</u>

City of Osseo

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds				
	Swimming Pool	Holiday Lights	Recycling Program	Housing Rehabilitation	Affordable Housing
Assets					
Cash and investments	\$ 53,316	\$ 14,733	\$ 40,672	\$ -	\$ 758,166
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	776	-	-
Notes	-	-	-	7,515	50,146
Total assets	<u>\$ 53,316</u>	<u>\$ 14,733</u>	<u>\$ 41,448</u>	<u>\$ 7,515</u>	<u>\$ 808,312</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 838	\$ -	\$ 15	\$ -	\$ -
Accrued liabilities	-	-	374	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>838</u>	<u>-</u>	<u>389</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	7,515	50,146
Unearned revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,515</u>	<u>50,146</u>
Fund Balances (Deficit)					
Restricted	-	14,733	-	-	758,166
Committed	52,478	-	41,059	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>52,478</u>	<u>14,733</u>	<u>41,059</u>	<u>-</u>	<u>758,166</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,316</u>	<u>\$ 14,733</u>	<u>\$ 41,448</u>	<u>\$ 7,515</u>	<u>\$ 808,312</u>

Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
Debt Service Fund	TIF #3	TIF #4	
\$ -	\$ 1,569,120	\$ -	\$ 2,436,007
214,269	22,338	-	236,607
-	-	-	776
-	-	-	57,661
<u>\$ 214,269</u>	<u>\$ 1,591,458</u>	<u>\$ -</u>	<u>\$ 2,731,051</u>

\$ -	\$ -	\$ 75	\$ 928
-	-	-	374
-	-	9,430	9,430
-	-	9,505	10,732

-	-	-	57,661
<u>214,269</u>	<u>22,338</u>	<u>-</u>	<u>236,607</u>

<u>214,269</u>	<u>22,338</u>	<u>-</u>	<u>294,268</u>
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-	1,569,120	-	2,342,019
-	-	-	93,537
-	-	(9,505)	(9,505)

-	1,569,120	(9,505)	2,426,051
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<u>\$ 214,269</u>	<u>\$ 1,591,458</u>	<u>\$ -</u>	<u>\$ 2,731,051</u>
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City of Osseo

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds				
	Swimming Pool	Holiday Lights	Recycling Program	Housing Rehabilitation	Affordable Housing
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,000	-	13,462	-	-
Public charges for services	35,115	-	19,896	-	-
Investment income	2,621	1,001	2,079	-	-
Miscellaneous revenues	5,196	23,635	-	-	937
	<u>43,932</u>	<u>24,636</u>	<u>35,437</u>	<u>-</u>	<u>937</u>
Total revenues	43,932	24,636	35,437	-	937
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	-	-	44,732	-	-
Culture, recreation and education	83,044	14,820	-	-	-
Conservation and development	-	-	-	-	51,082
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	89	-	-	-	-
	<u>83,133</u>	<u>14,820</u>	<u>44,732</u>	<u>-</u>	<u>51,082</u>
Total expenditures	83,133	14,820	44,732	-	51,082
Excess (deficiency) of revenues over expenditures	<u>(39,201)</u>	<u>9,816</u>	<u>(9,295)</u>	<u>-</u>	<u>(50,145)</u>
Other Financing Sources					
Transfers in	38,800	-	6,908	-	808,311
	<u>38,800</u>	<u>-</u>	<u>6,908</u>	<u>-</u>	<u>808,311</u>
Total other financing sources	38,800	-	6,908	-	808,311
Net change in fund balances	(401)	9,816	(2,387)	-	758,166
Fund Balances, Beginning	<u>52,879</u>	<u>4,917</u>	<u>43,446</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit), Ending	<u>\$ 52,478</u>	<u>\$ 14,733</u>	<u>\$ 41,059</u>	<u>\$ -</u>	<u>\$ 758,166</u>

Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
Debt Service Fund	TIF #3	TIF #4	
\$ 195,762	\$ 20,365	\$ -	\$ 216,127
-	3,304	-	17,766
-	-	-	55,011
-	-	-	5,701
-	-	-	29,768
<u>195,762</u>	<u>23,669</u>	<u>-</u>	<u>324,373</u>
-	3,128	9,505	12,633
-	-	-	44,732
-	-	-	97,864
-	425	-	51,507
130,713	-	-	130,713
65,063	-	-	65,152
<u>195,776</u>	<u>3,553</u>	<u>9,505</u>	<u>402,601</u>
<u>(14)</u>	<u>20,116</u>	<u>(9,505)</u>	<u>(78,228)</u>
<u>14</u>	<u>-</u>	<u>-</u>	<u>854,033</u>
<u>14</u>	<u>-</u>	<u>-</u>	<u>854,033</u>
-	20,116	(9,505)	775,805
-	1,549,004	-	1,650,246
<u>\$ -</u>	<u>\$ 1,569,120</u>	<u>\$ (9,505)</u>	<u>\$ 2,426,051</u>