

# **ANNUAL FINANCIAL REPORT**

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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Spring Lake Township  
Scott County, Minnesota  
Annual Financial Report  
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For the Year Ended December 31, 2024

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INTRODUCTORY SECTION

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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Spring Lake Township  
Scott County, Minnesota  
Elected and Appointed Officials  
For the Year Ended December 31, 2024

**ELECTED**

<u>Name</u>	<u>Title</u>
Ted Kowalski	Board Supervisor / Chairman
Doug Berens	Board Supervisor
Lisa Quinn	Board Supervisor

**APPOINTED**

Melissa Hanson	Township Clerk
Dave Johnson	Township Treasurer
Sara Domer	Township Deputy Clerk

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FINANCIAL SECTION

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Supervisors  
Spring Lake Township  
Scott County, Minnesota

### Report on 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 Spring Lake Township, Scott County, Minnesota (the Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Township as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Road and Bridge funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 Township'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.

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



## **Supplementary Information**

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

## **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2025 on our consideration of the Township'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 township'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 Township's internal control over financial reporting and compliance.



**Abdo**  
Minneapolis, Minnesota  
March 11, 2025



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

As management of the Spring Lake Township, Scott County, Minnesota, (the Township), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2024.

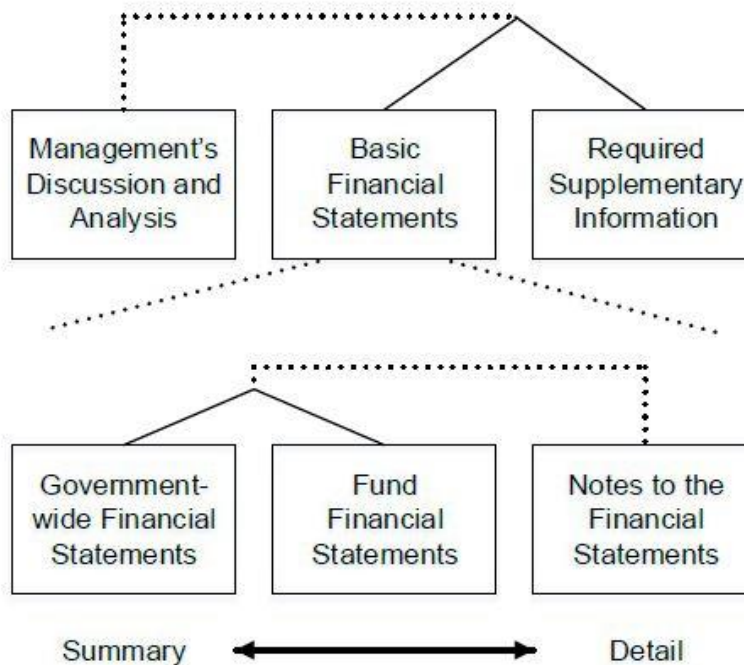
### **Financial Highlights**

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages.
- The Township's total net position decreased. This was mainly due to a decrease in grants received during the current year compared to the prior year.
- As of the close of the current fiscal year, the Township's governmental funds reported an increase in comparison with prior year largely due to budgeted projects not completed.
- The Township's total noncurrent liabilities decreased during the current fiscal year. This was due to regular scheduled bond principal payments.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the required parts of this annual report are arranged and relate to one another:

### Organization of the Township's Annual Financial Report





The following chart summarizes the major features of the Township's financial statements, including the portion of the Township's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### Major Features of the Government-wide and Fund Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, culture and recreation, and interest on long-term debt. The business-type activities of the Township include Ben's Bay SSD, South Shore Drive, and Lydia Subordinate Service District.

The government-wide financial statements start on page 29 of this report.

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

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

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

The Township maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Road and Bridge, Debt Service, and Park funds - of which all are considered to be major funds.

The Township adopts an annual appropriated budget for its General fund and the Road and Bridge funds. A budgetary comparison statement has been provided for the General and Road and Bridge funds to demonstrate compliance with this budget. The Township does not budget the Park special revenue fund because it is not legally required to do so.

The basic governmental fund financial statements start on page 34 of this report.

**Proprietary Funds.** The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its Ben's Bay SSD community septic system, street lights and lift stations to the South Shore Drive project area, and community lighting in the town of Lydia.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for all three proprietary funds, all of which are nonmajor funds.

The basic proprietary fund financial statements start on page 40 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Township does not have any fiduciary funds in 2024.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 43 of this report.

**Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The combining statements referred to earlier in connection with non-major proprietary funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 56 of this report.

### Government-wide Financial Analysis

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

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

### Spring Lake Township's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 3,320,205	\$ 3,362,811	\$ (42,606)	\$ 114,957	\$ 121,559	\$ (6,602)
Capital assets (net of depreciation)	5,782,894	6,180,350	(397,456)	60,000	60,000	-
Total Assets	9,103,099	9,543,161	(440,062)	174,957	181,559	(6,602)
<b>Liabilities</b>						
Noncurrent liabilities outstanding	854,664	1,124,507	(269,843)	-	-	-
Current and other liabilities	128,627	166,973	(38,346)	-	-	-
Total Liabilities	983,291	1,291,480	(308,189)	-	-	-
<b>Net Position</b>						
Net investment in capital assets	4,928,230	5,055,843	(127,613)	60,000	60,000	-
Restricted for						
Debt service	153,392	222,867	(69,475)	-	-	-
Storm water emergency	10,000	10,000	-	-	-	-
Future street improvements	627,854	730,980	(103,126)	-	-	-
Unrestricted	2,400,332	2,231,991	168,341	114,957	121,559	(6,602)
Total Net Position	\$ 8,119,808	\$ 8,251,681	\$ (131,873)	\$ 174,957	\$ 181,559	\$ (6,602)

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

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

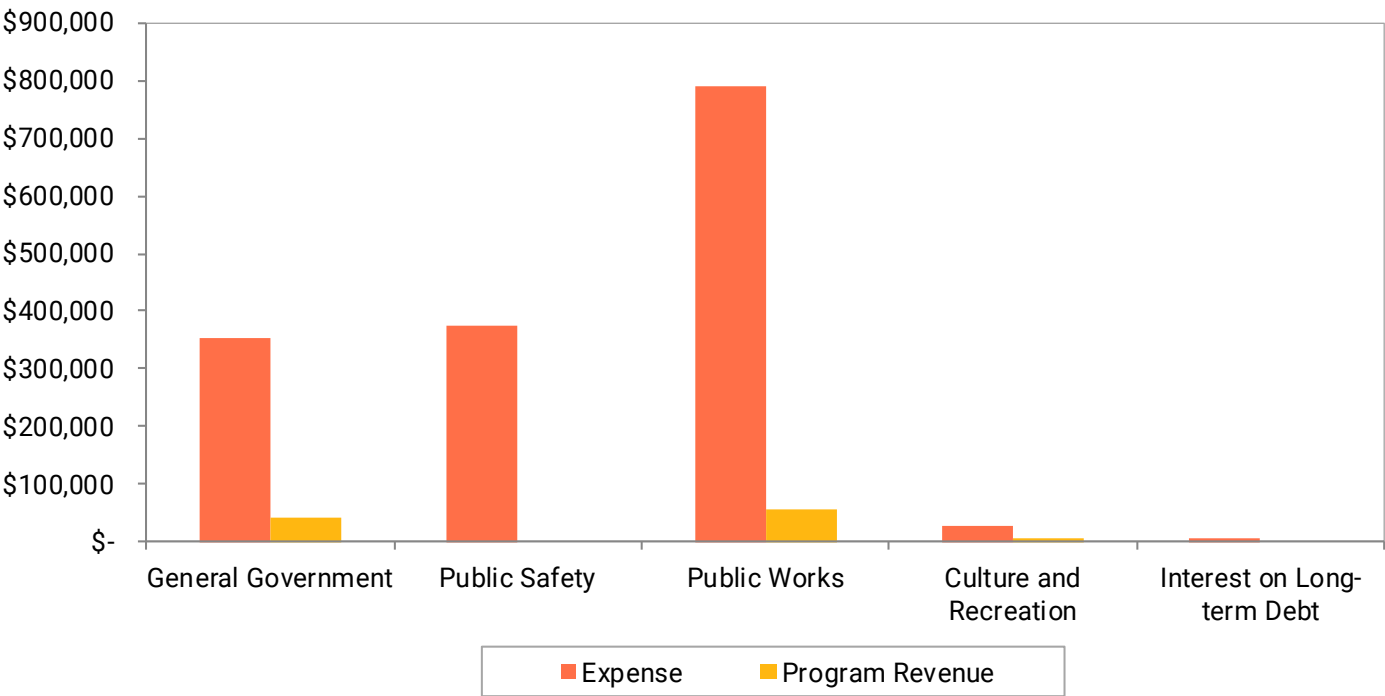
**Governmental Activities.** Governmental activities decreased the Township's net position, thereby accounting for almost the entire decrease in the net position of the Township. The following table summarizes the changes in net position.

### Spring Lake Township's Changes in Net Position

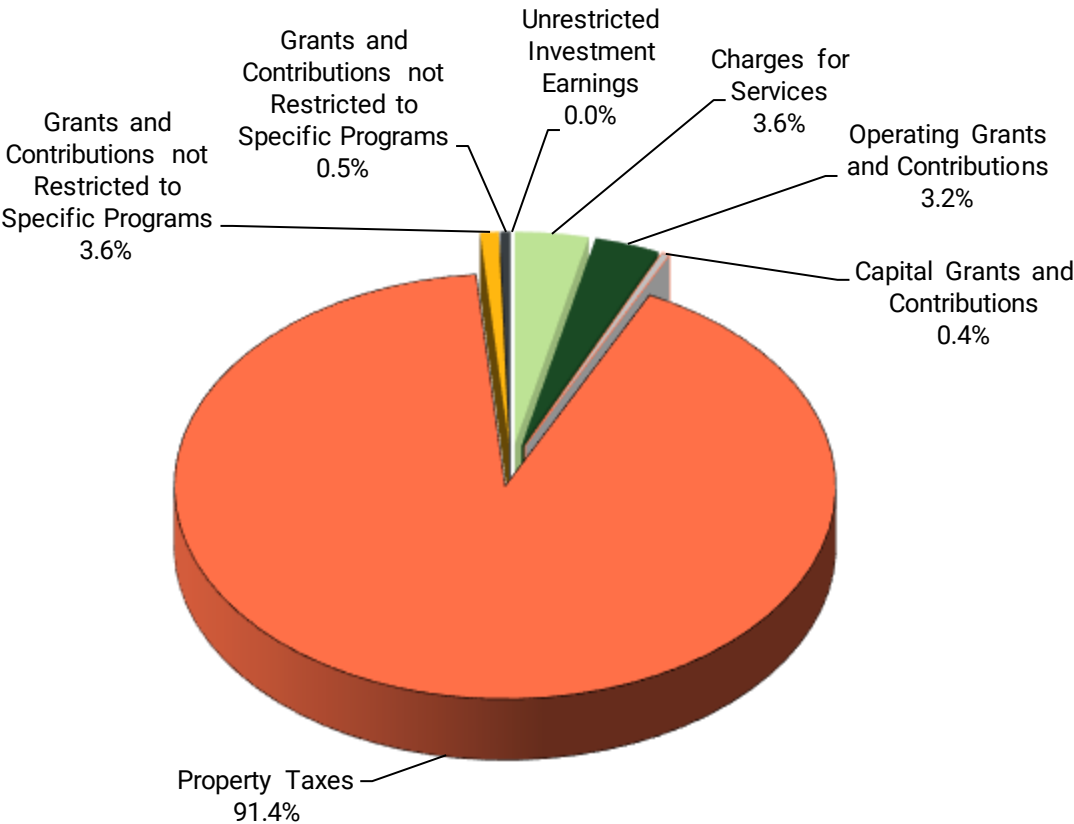
	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 53,097	\$ 70,112	\$ (17,015)	\$ 15,462	\$ 20,191	\$ (4,729)
Operating grants and contributions	45,085	40,045	5,040	-	-	-
Capital grants and contributions	5,001	1,276	3,725	-	-	-
General Revenues						
Taxes						
Property taxes	1,296,007	1,140,314	155,693	-	-	-
Franchise fees	12,129	12,363	(234)	-	-	-
Grants and contributions not restricted to specific programs	6,602	425,658	(419,056)	-	-	-
Unrestricted investment earnings	297	297	-	-	-	-
Total Revenues	<u>1,418,218</u>	<u>1,690,065</u>	<u>(271,847)</u>	<u>15,462</u>	<u>20,191</u>	<u>(4,729)</u>
Expenses						
General government	352,324	368,662	(16,338)	-	-	-
Public safety	374,446	295,311	79,135	-	-	-
Public works	789,820	916,670	(126,850)	-	-	-
Culture and recreation	27,074	41,638	(14,564)	-	-	-
Interest on long-term debt	6,427	10,221	(3,794)	-	-	-
Ben's Bay SSD	-	-	-	17,319	810	16,509
South Shore Drive	-	-	-	2,755	2,777	(22)
Lydia Subordinate Service District	-	-	-	1,990	2,219	(229)
Total Expenses	<u>1,550,091</u>	<u>1,632,502</u>	<u>(82,411)</u>	<u>22,064</u>	<u>5,806</u>	<u>16,258</u>
Change in Net Position	(131,873)	57,563	(189,436)	(6,602)	14,385	(20,987)
Net Position, January 1	<u>8,251,681</u>	<u>8,194,118</u>	<u>57,563</u>	<u>181,559</u>	<u>167,174</u>	<u>14,385</u>
Net Position, December 31	<u>\$ 8,119,808</u>	<u>\$ 8,251,681</u>	<u>\$ (131,873)</u>	<u>\$ 174,957</u>	<u>\$ 181,559</u>	<u>\$ (6,602)</u>

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities

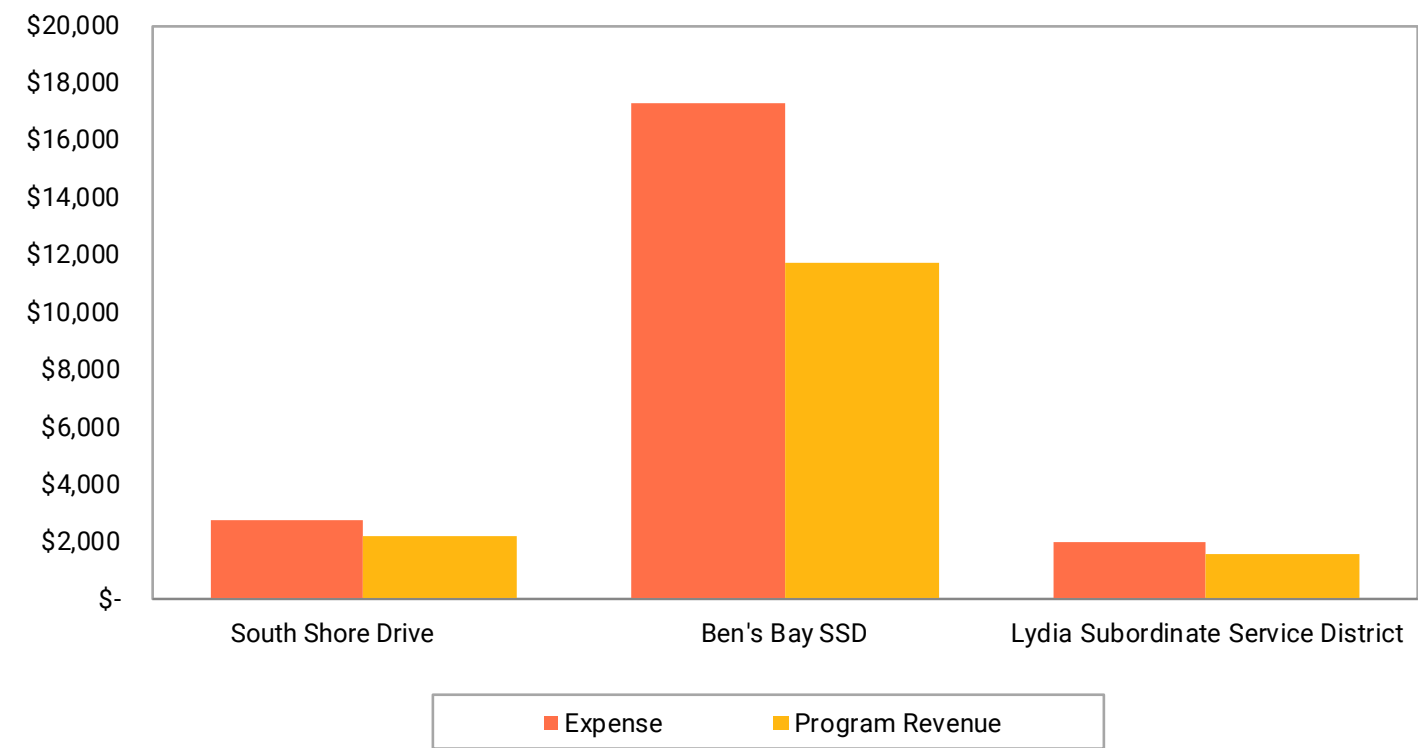


Revenues by Source - Governmental Activities

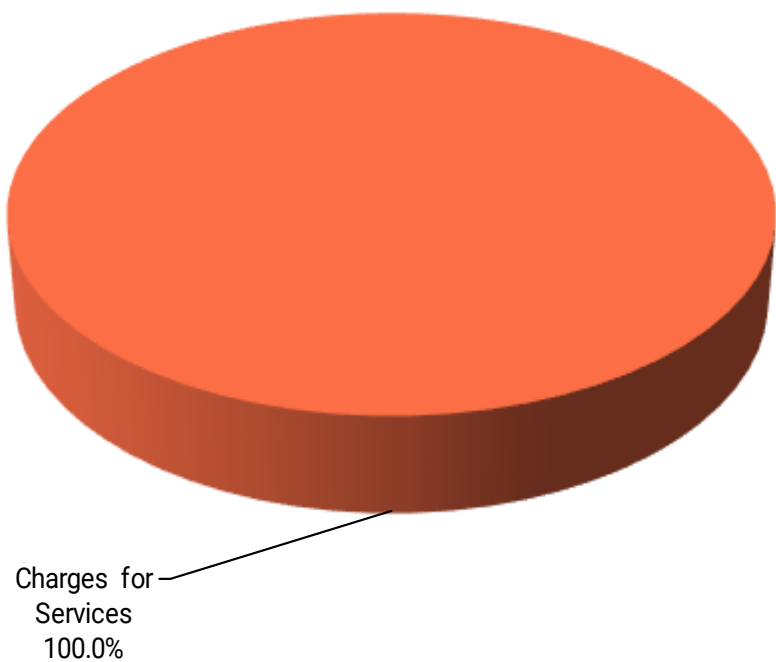


**Business-type Activities.** Business-type activities decreased the Township’s net position.

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



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



## Financial Analysis of the Township's Funds

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

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

	General Fund	Road and Bridge Fund	Park Fund	Debt Service Fund	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances							
Nonspendable	\$ 379,599	\$ -	\$ -	\$ -	\$ 379,599	\$ 385,599	\$ (6,000)
Restricted	10,000	627,854	-	124,137	761,991	924,673	(162,682)
Committed	-	1,749,962	-	-	1,749,962	1,451,486	298,476
Unassigned	472,439	-	(374,599)	-	97,840	194,497	(96,657)
	<u>\$ 862,038</u>	<u>\$ 2,377,816</u>	<u>\$ (374,599)</u>	<u>\$ 124,137</u>	<u>\$ 2,989,392</u>	<u>\$ 2,956,255</u>	<u>\$ 33,137</u>

As of the close of the current fiscal year, the Township's governmental funds reported combining ending balances shown above. Additional information on the Township's fund balances can be found in Note 1 starting on page 48 of this report.

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

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 379,599	\$ 385,599	\$ (6,000)
Restricted for storm water emergency	10,000	10,000	-
Unassigned	472,439	575,096	(102,657)
	<u>\$ 862,038</u>	<u>\$ 970,695</u>	<u>\$ (108,657)</u>
General Fund expenditures	\$ 723,737	\$ 675,504	
Unassigned as a percent of expenditures	65.3%	85.1%	
Total Fund Balance as a percent of expenditures	119.1%	143.7%	

The fund balance of the Township's General fund decreased during the current fiscal year as shown in the table above.

Activity of the Township's other major funds is discussed below:

	December 31, 2024	December 31, 2023	Increase (Decrease)
Road and Bridge Fund	\$ 2,377,816	\$ 2,182,466	\$ 195,350
<i>The Road and Bridge fund balance increased during the year due to passing on two road projects that were part of the current year budget.</i>			
Park Fund	(374,599)	(380,599)	6,000
<i>The Park fund increase in fund balance during the year was due to collection of park fees.</i>			
Debt Service fund	124,137	183,693	(59,556)
<i>The Debt Service fund decrease in fund balance during the year was due to scheduled principal and interest payments made on bonds during the year.</i>			

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

	Ending Net Position 2024	Ending Net Position 2023	Increase/ (Decrease)
Ben's Bay SSD	\$ 88,983	\$ 94,602	\$ (5,619)
<i>The decrease is attributed to a increase in repairs and maintenance.</i>			
South Shore Drive	76,625	77,175	(550)
<i>Slight decrease is due to operating expenses.</i>			
Lydia Subordinate Service District	9,349	9,782	(433)
<i>Slight decrease is due to operating expenses.</i>			

### General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 588,000	\$ -	\$ 588,000	\$ 615,080	\$ 27,080
Expenditures	728,000	-	728,000	723,737	4,263
Net Change in Fund Balances	(140,000)	-	(140,000)	(108,657)	31,343
Fund Balances, January 1	970,695	-	970,695	970,695	-
Fund Balances, December 31	<u>\$ 830,695</u>	<u>\$ -</u>	<u>\$ 830,695</u>	<u>\$ 862,038</u>	<u>\$ 31,343</u>

The Township's fund budget was not amended during the year as shown above.

### Road and Bridge Fund Budgetary Highlights

The budget for the Township's Road and Bridge fund was not amended during the year, anticipating a decrease in fund balance. The actual change in fund balance was an increase. This is related to budgeting for projects in 2024 that did not occur.



## Capital Assets and Debt Administration

**Capital Assets:** The Township's capital assets for its governmental and business-type activities as of December 31, 2024, are shown below in capital asset table (net of accumulated depreciation). These capital assets include land, buildings, improvements, and roads. Total change in the Township's capital assets for the current year decreased.

### Spring Lake Township's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Land	\$ 8,477	\$ 8,477	\$ -	\$ 60,000	\$ 60,000	\$ -
Buildings	983,070	1,013,333	(30,263)	-	-	-
Infrastructure	4,790,055	5,156,396	(366,341)	-	-	-
Equipment	1,292	2,144	(852)	-	-	-
Total	<u>\$ 5,782,894</u>	<u>\$ 6,180,350</u>	<u>\$ (397,456)</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>

Additional information on the Township's capital assets can be found in Note 3B starting on page 50 of this report.

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

### Spring Lake Township's Outstanding Debt

	Governmental Activities		
	2024	2023	Increase (Decrease)
Bonds Payable	\$ 840,000	\$ 1,103,000	\$ (263,000)
Unamortized Premium on Bonds	14,664	21,507	(6,843)
Total	<u>\$ 854,664</u>	<u>\$ 1,124,507</u>	<u>\$ (269,843)</u>

Additional information on the Township's long-term debt can be found in Note 3D starting on page 52 of this report.

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

- The Road and Bridge fund budget for 2025 includes an estimate of road maintenance costs as well as anticipation of upcoming road improvement projects.
- The General fund budget process anticipates annual operating costs based on prior year actual costs, obligations and estimated fees for various services.

## Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Hall, Township Treasurer, 20381 Fairlawn Avenue, Prior Lake, Minnesota 55372.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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# Spring Lake Township, Minnesota

## Statement of Net Position

December 31, 2024

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and temporary investments	\$ 3,107,115	\$ 112,001	\$ 3,219,116
Receivables			
Taxes	20,986	-	20,986
Accounts	510	-	510
Special assessments	191,594	2,956	194,550
Capital assets			
Land and construction in progress	8,477	60,000	68,477
Depreciable assets (net of accumulated depreciation)	5,774,417	-	5,774,417
Total Assets	9,103,099	174,957	9,278,056
<b>Liabilities</b>			
Accounts payable	8,087	-	8,087
Escrows payable	108,550	-	108,550
Accrued salaries payable	6,979	-	6,979
Accrued interest payable	5,011	-	5,011
Noncurrent liabilities			
Due within one year			
Long-term liabilities	205,000	-	205,000
Due in more than one year			
Long-term liabilities	649,664	-	649,664
Total Liabilities	983,291	-	983,291
<b>Net Position</b>			
Net investment in capital assets	4,928,230	60,000	4,988,230
Restricted for			
Debt service	153,392	-	153,392
Storm water emergency	10,000	-	10,000
Future street improvements	627,854	-	627,854
Unrestricted	2,400,332	114,957	2,515,289
Total Net Position	\$ 8,119,808	\$ 174,957	\$ 8,294,765

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

# Spring Lake Township, Minnesota

## Statement of Activities

For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 352,324	\$ 42,286	\$ -	\$ -
Public safety	374,446	-	-	-
Public works	789,820	4,461	45,085	5,001
Culture and recreation	27,074	6,000	-	-
Miscellaneous	-	350	-	-
Interest on long-term debt	6,427	-	-	-
Total Governmental Activities	<u>1,550,091</u>	<u>53,097</u>	<u>45,085</u>	<u>5,001</u>
Business-type Activities				
Ben's Bay SSD	17,319	11,700	-	-
South Shore Drive	2,755	2,205	-	-
Lydia Subordinate Service District	1,990	1,557	-	-
Total Business-type Activities	<u>22,064</u>	<u>15,462</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,572,155</u>	<u>\$ 68,559</u>	<u>\$ 45,085</u>	<u>\$ 5,001</u>

### General Revenues

#### Taxes

Property taxes, levied for general purposes

Franchise fees

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Total General Revenues

### Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (310,038)	\$ -	\$ (310,038)
(374,446)	-	(374,446)
(735,273)	-	(735,273)
(21,074)	-	(21,074)
350	-	350
(6,427)	-	(6,427)
<u>(1,446,908)</u>	<u>-</u>	<u>(1,446,908)</u>
-	(5,619)	(5,619)
-	(550)	(550)
-	(433)	(433)
<u>-</u>	<u>(6,602)</u>	<u>(6,602)</u>
<u>(1,446,908)</u>	<u>(6,602)</u>	<u>(1,453,510)</u>
1,296,007	-	1,296,007
12,129	-	12,129
6,602	-	6,602
297	-	297
<u>1,315,035</u>	<u>-</u>	<u>1,315,035</u>
(131,873)	(6,602)	(138,475)
<u>8,251,681</u>	<u>181,559</u>	<u>8,433,240</u>
<u>\$ 8,119,808</u>	<u>\$ 174,957</u>	<u>\$ 8,294,765</u>

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

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FUND FINANCIAL STATEMENTS

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

# Spring Lake Township, Minnesota

## Balance Sheet Governmental Funds December 31, 2024

		Special Revenue			Total Governmental Funds
	General	Road and Bridge	Park	Debt Service	
<b>Assets</b>					
Cash and temporary investments	\$ 600,162	\$ 2,377,816	\$ 5,000	\$ 124,137	\$ 3,107,115
Receivables					
Taxes	20,986	-	-	-	20,986
Accounts	510	-	-	-	510
Special assessments	378	156,950	-	34,266	191,594
Advance to other funds	379,599	-	-	-	379,599
<b>Total Assets</b>	<b>\$ 1,001,635</b>	<b>\$ 2,534,766</b>	<b>\$ 5,000</b>	<b>\$ 158,403</b>	<b>\$ 3,699,804</b>
<b>Liabilities</b>					
Accounts payable	\$ 8,087	\$ -	\$ -	\$ -	\$ 8,087
Escrows payable	108,550	-	-	-	108,550
Accrued salaries payable	6,979	-	-	-	6,979
Advance from other funds	-	-	379,599	-	379,599
<b>Total Liabilities</b>	<b>123,616</b>	<b>-</b>	<b>379,599</b>	<b>-</b>	<b>503,215</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - taxes	15,603	-	-	-	15,603
Unavailable revenue - special assessments	378	156,950	-	34,266	191,594
<b>Total Deferred Inflows of Resources</b>	<b>15,981</b>	<b>156,950</b>	<b>-</b>	<b>34,266</b>	<b>207,197</b>
<b>Fund Balances</b>					
Nonspendable for					
Advance to other funds	379,599	-	-	-	379,599
Restricted for					
Debt service	-	-	-	124,137	124,137
Storm water emergency	10,000	-	-	-	10,000
Future street improvements	-	627,854	-	-	627,854
Committed for road maintenance and capital projects	-	1,749,962	-	-	1,749,962
Unassigned	472,439	-	(374,599)	-	97,840
<b>Total Fund Balances</b>	<b>862,038</b>	<b>2,377,816</b>	<b>(374,599)</b>	<b>124,137</b>	<b>2,989,392</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,001,635</b>	<b>\$ 2,534,766</b>	<b>\$ 5,000</b>	<b>\$ 158,403</b>	<b>\$ 3,699,804</b>

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

Spring Lake Township, Minnesota  
Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
December 31, 2024

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

Total Fund Balances - Governmental Funds	\$ 2,989,392
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	10,153,356
Less: accumulated depreciation	(4,370,462)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Bond principal payable	(840,000)
Unamortized premium on bonds	(14,664)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.	
Taxes	15,603
Special assessments	191,594
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(5,011)</u>
Total Net Position - Governmental Activities	<u><u>\$ 8,119,808</u></u>

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

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

		Special Revenue			Total Governmental Funds
	General	Road and Bridge	Park	Debt Service	
Revenues					
Property taxes	\$ 563,294	\$ 733,598	\$ -	\$ -	\$ 1,296,892
Franchise fees	1,843	10,286	-	-	12,129
Licenses and permits	25,384	-	-	-	25,384
Intergovernmental	6,602	45,085	-	-	51,687
Charges for services	16,654	4,461	-	-	21,115
Special assessments	408	31,340	-	11,725	43,473
Investment earnings	297	-	-	-	297
Miscellaneous	598	-	6,000	-	6,598
Total Revenues	<u>615,080</u>	<u>824,770</u>	<u>6,000</u>	<u>11,725</u>	<u>1,457,575</u>
Expenditures					
Current					
General government	322,743	-	-	-	322,743
Public safety	374,446	-	-	-	374,446
Public works	-	355,294	-	869	356,163
Culture and recreation	26,548	-	-	-	26,548
Capital outlay					
Public works	-	66,308	-	-	66,308
Debt service					
Principal	-	-	-	263,000	263,000
Interest and other	-	-	-	15,230	15,230
Total Expenditures	<u>723,737</u>	<u>421,602</u>	<u>-</u>	<u>279,099</u>	<u>1,424,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,657)</u>	<u>403,168</u>	<u>6,000</u>	<u>(267,374)</u>	<u>33,137</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	207,818	207,818
Transfers out	-	(207,818)	-	-	(207,818)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(207,818)</u>	<u>-</u>	<u>207,818</u>	<u>-</u>
Net Change in Fund Balances	(108,657)	195,350	6,000	(59,556)	33,137
Fund Balances, January 1	<u>970,695</u>	<u>2,182,466</u>	<u>(380,599)</u>	<u>183,693</u>	<u>2,956,255</u>
Fund Balances, December 31	<u>\$ 862,038</u>	<u>\$ 2,377,816</u>	<u>\$ (374,599)</u>	<u>\$ 124,137</u>	<u>\$ 2,989,392</u>

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

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

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

Net Change in Fund Balances - Governmental Funds	\$ 33,137
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Depreciation expense	(397,456)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal repayments	263,000
Amortization of bond premium	6,843
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	1,960
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	(38,472)
Property taxes	(885)
Change in Net Position - Governmental Activities	<u>\$ (131,873)</u>

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

Spring Lake Township, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual  
General and Road and Bridge Funds  
For the Year Ended December 31, 2024

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 543,000	\$ 543,000	\$ 563,294	\$ 20,294
Franchise fees	-	-	1,843	1,843
Licenses and permits	15,000	15,000	25,384	10,384
Intergovernmental	6,500	6,500	6,602	102
Charges for services	23,500	23,500	16,654	(6,846)
Special assessments	-	-	408	408
Investment earnings	-	-	297	297
Miscellaneous	-	-	598	598
Total Revenues	<u>588,000</u>	<u>588,000</u>	<u>615,080</u>	<u>27,080</u>
Expenditures				
Current				
General government	333,000	333,000	322,743	10,257
Public safety	375,000	375,000	374,446	554
Public works	-	-	-	-
Culture and recreation	20,000	20,000	26,548	(6,548)
Capital outlay	-	-	-	-
Total Expenditures	<u>728,000</u>	<u>728,000</u>	<u>723,737</u>	<u>4,263</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,000)	(140,000)	(108,657)	31,343
Other Financing Sources (Uses)				
Transfers out	-	-	-	-
Net Change in Fund Balances	(140,000)	(140,000)	(108,657)	31,343
Fund Balances, January 1	<u>970,695</u>	<u>970,695</u>	<u>970,695</u>	-
Fund Balances, December 31	<u>\$ 830,695</u>	<u>\$ 830,695</u>	<u>\$ 862,038</u>	<u>\$ 31,343</u>

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

Road and Bridge Fund			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
\$ 685,000	\$ 685,000	\$ 733,598	\$ 48,598
15,000	15,000	10,286	(4,714)
-	-	-	-
40,000	40,000	45,085	5,085
5,000	5,000	4,461	(539)
50,000	50,000	31,340	(18,660)
-	-	-	-
-	-	-	-
795,000	795,000	824,770	29,770
-	-	-	-
-	-	-	-
1,815,000	1,815,000	355,294	1,459,706
-	-	-	-
200,000	200,000	66,308	133,692
2,015,000	2,015,000	421,602	1,593,398
(1,220,000)	(1,220,000)	403,168	1,623,168
-	-	(207,818)	(207,818)
(1,220,000)	(1,220,000)	195,350	1,415,350
2,182,466	2,182,466	2,182,466	-
<u>\$ 962,466</u>	<u>\$ 962,466</u>	<u>\$ 2,377,816</u>	<u>\$ 1,415,350</u>

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

# Spring Lake Township, Minnesota

## Statement of Net Position

### Proprietary Funds

December 31, 2024

	Business-type Activities - Nonmajor Enterprise Funds			Nonmajor Enterprise Fund Totals
	Ben's Bay SSD	South Shore Drive	Lydia Subordinate Service District	
Assets				
Current Assets				
Cash and temporary investments	\$ 28,983	\$ 75,314	\$ 7,704	\$ 112,001
Special assessments receivable	-	1,311	1,645	2,956
Total Current Assets	<u>28,983</u>	<u>76,625</u>	<u>9,349</u>	<u>114,957</u>
Noncurrent Assets				
Capital assets				
Land	60,000	-	-	60,000
Infrastructure	225,000	-	-	225,000
Less accumulated depreciation	<u>(225,000)</u>	<u>-</u>	<u>-</u>	<u>(225,000)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Total Assets	<u>88,983</u>	<u>76,625</u>	<u>9,349</u>	<u>174,957</u>
Net Position				
Investment in capital assets	60,000	-	-	60,000
Unrestricted	<u>28,983</u>	<u>76,625</u>	<u>9,349</u>	<u>114,957</u>
Total Net Position	<u>\$ 88,983</u>	<u>\$ 76,625</u>	<u>\$ 9,349</u>	<u>\$ 174,957</u>

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



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

	<u>Business-type Activities - Nonmajor Enterprise Funds</u>			<u>Nonmajor Enterprise Fund Totals</u>
	<u>Ben's Bay SSD</u>	<u>South Shore Drive</u>	<u>Lydia Subordinate Service District</u>	
Operating Revenues				
Charges for services	<u>\$ 11,700</u>	<u>\$ 2,205</u>	<u>\$ 1,557</u>	<u>\$ 15,462</u>
Operating Expenses				
Repairs and maintenance	15,665	-	-	15,665
Utilities	<u>1,654</u>	<u>2,755</u>	<u>1,990</u>	<u>6,399</u>
Total Operating Expenses	<u>17,319</u>	<u>2,755</u>	<u>1,990</u>	<u>22,064</u>
Change in Net Position	(5,619)	(550)	(433)	(6,602)
Net Position, January 1	<u>94,602</u>	<u>77,175</u>	<u>9,782</u>	<u>181,559</u>
Net Position, December 31	<u><u>\$ 88,983</u></u>	<u><u>\$ 76,625</u></u>	<u><u>\$ 9,349</u></u>	<u><u>\$ 174,957</u></u>

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

Spring Lake Township, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2024

	<u>Business-type Activities - Nonmajor Enterprise Funds</u>			<u>Nonmajor Enterprise Fund Totals</u>
	<u>Ben's Bay SSD</u>	<u>South Shore Drive</u>	<u>Lydia Subordinate Service District</u>	
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 11,700	\$ 3,669	\$ 3,132	\$ 18,501
Payments to suppliers	(17,319)	(2,755)	(1,990)	(22,064)
Net Cash Provided (Used) by Operating Activities	(5,619)	914	1,142	(3,563)
Cash and Cash Equivalents, January 1	34,602	74,400	6,562	115,564
Cash and Cash Equivalents, December 31	<u>\$ 28,983</u>	<u>\$ 75,314</u>	<u>\$ 7,704</u>	<u>\$ 112,001</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (5,619)	\$ (550)	\$ (433)	\$ (6,602)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
(Increase) decrease in assets				
Special assessments receivable	-	1,464	1,575	3,039
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,619)</u>	<u>\$ 914</u>	<u>\$ 1,142</u>	<u>\$ (3,563)</u>

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

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

Spring Lake Township, Scott County, Minnesota (the Township), is organized and governed by the standard structure of three Supervisors, one Clerk, and one Treasurer. The three Supervisors are elected by eligible voters of the Township, while the Clerk and Treasurer are appointed by the Board.

The Township has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Township are such that exclusion would cause the Township's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The Township has no component units.

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

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

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

Separate financial statements are provided for governmental funds, and proprietary funds, 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.

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

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

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

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

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

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

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

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

The Township reports the following major governmental funds:

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

The *Road and Bridge fund* accounts for resources accumulated and payments made related to road maintenance and snow removal. Major revenue sources include property taxes, intergovernmental highway user tax, and special assessments.

The *Park fund* accounts for the operations of the Township's parks. Major revenue sources are park dedication fees.

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

Additionally, the Township reports the following fund types:

*Enterprise funds* account for activity that is expected to be financed through user fees and charges.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements.

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 Township enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

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

***Deposits and Investments***

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

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds. The Township does not have a formal investment policy.

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

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

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

***Property Taxes***

The Township levy is adopted annually by the town electors at their Annual Town Meeting. The levy is then certified with the County for collection the following year. The County is responsible for collecting all property taxes for the Township. These taxes attach an enforceable lien on taxable property within the Township on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Auditor and tax settlements are made to the Township during January, June and December each year.

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

***Accounts Receivable***

Accounts receivable include amounts billed for services provided before year end. The Township annually certifies delinquent charges to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

***Special Assessments***

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

***Interfund Receivables and Payables***

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

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

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Pursuant to GASB 34, paragraph 148, the Township chose not to report general infrastructure asset retrospectively. General infrastructure assets consist of those constructed or accepted since January 1, 2004. As the Township constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at acquisition value at the date of donation.

Spring Lake Township  
 Scott County, Minnesota  
 Notes to the Financial Statements  
 December 31, 2024

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

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

Assets	Useful Lives in Years
Building and Structures	20 to 50
Distribution System	50
Roads	25
Machinery and Equipment	3 to 20

***Long-term Obligations***

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

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

***Deferred Inflows of Resources***

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

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

***Fund Balance***

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

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

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

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

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

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds.

The Township considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Township would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Township has formally adopted a fund balance policy for the General fund. The Township's policy is to maintain a minimum unrestricted fund balance of 45-60 percent of the next year's budgeted expenditures.

***Net Position***

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

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

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



Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and the Road and Bridge funds. The Township does not budget the Park fund because it is not legally required to do so. All annual appropriations lapse at fiscal year-end. The Township does not use encumbrance accounting.

In August of each year the proposed budget is prepared by the Board and management. The final budget is prepared and adopted by the Board at the monthly Board meeting immediately following approval of the levy by the town electors.

The appropriated budget is prepared by fund. Transfers of appropriations between funds require the approval of the Board. The legal level of budgetary control is the fund level. Budgeted amounts are as originally adopted. There were no budget amendments made during 2024.

### **B. Deficit Fund Equity**

The Park fund had a deficit at December 31, 2024 of \$374,599. The Township plans to fund this deficit with future revenues from park fees and contributions.

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

### **A. Deposits**

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

Minnesota statutes require that all Township deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks. Authorized collateral in lieu of a corporate surety bond includes:

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

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

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

At year end, the Township's carrying amount of deposits was \$3,230,846 and the bank balance was \$3,230,846. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the Township's name.

**B. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 8,477	\$ -	\$ -	\$ 8,477
Capital Assets being Depreciated				
Buildings	1,493,140	-	-	1,493,140
Infrastructure	8,643,218	-	-	8,643,218
Equipment	8,521	-	-	8,521
Total Capital Assets being Depreciated	10,144,879	-	-	10,144,879
Less Accumulated Depreciation for				
Buildings	(479,807)	(30,263)	-	(510,070)
Infrastructure	(3,486,822)	(366,341)	-	(3,853,163)
Equipment	(6,377)	(852)	-	(7,229)
Total Accumulated Depreciation	(3,973,006)	(397,456)	-	(4,370,462)
Total Capital Assets being Depreciated, Net	6,171,873	(397,456)	-	5,774,417
Governmental Activities Capital Assets, Net	<u>\$ 6,180,350</u>	<u>\$ (397,456)</u>	<u>\$ -</u>	<u>\$ 5,782,894</u>

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

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

**Governmental Activities**

General government	\$ 29,581
Public works	367,349
Culture and recreation	<u>526</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 397,456</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets not being Depreciated				
Land	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>
Capital Assets being Depreciated				
Infrastructure	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>225,000</u>
Less Accumulated Depreciation for Infrastructure	<u>(225,000)</u>	<u>-</u>	<u>-</u>	<u>(225,000)</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 60,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 60,000</u></u>

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

**Interfund Balances**

There is an interest-free interfund loan outstanding between the General fund to the Park fund for \$379,599 to cover the Park fund's share of debt service payments.

The Township made transfers during the year as shown and described below:

Fund	Purpose	Debt Service Fund
Transfers out		
Road and Bridge	Debt service	<u><u>\$ 207,818</u></u>

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

**D. Long-term Debt**

General Obligation (G.O.) Bonds

The Township issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for governmental activities. G.O. bonds are direct obligations and pledge the full faith and credit of the Township. G.O. bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Bonds, Series 2015A	\$ 920,000	3.00 %	08/05/15	02/01/26	\$ 210,000
G.O. Bonds, Series 2020A	925,000	1.00	10/01/20	02/01/30	630,000
Total G.O. Revenue Bonds					<u>\$ 840,000</u>

The annual debt service requirements to maturity for G.O. bonds at December 31, 2024 are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 205,000	\$ 10,525	\$ 215,525
2026	210,000	6,350	216,350
2027	105,000	3,725	108,725
2028	105,000	2,675	107,675
2029	105,000	1,625	106,625
2030	110,000	550	110,550
Total	<u>\$ 840,000</u>	<u>\$ 25,450</u>	<u>\$ 865,450</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
G.O. bonds	\$ 1,040,000	\$ -	\$ 200,000	\$ 840,000	\$ 205,000
G.O. revenue bonds	63,000	-	63,000	-	-
Total Bonds Payable	1,103,000	-	263,000	840,000	205,000
Unamortized Premium on Bonds	21,507	-	6,843	14,664	-
Governmental Activity Long-term Liabilities	<u>\$ 1,124,507</u>	<u>\$ -</u>	<u>\$ 269,843</u>	<u>\$ 854,664</u>	<u>\$ 205,000</u>

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

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

**A. Plan Description**

Certain part-time employees of the Spring Lake Township are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota statutes, chapters 353 and 356.

GERF members belong to either the Coordinated Plan, the Basic Plan, or the DCP Elected Officials Plan. Coordinated Plan members are covered by Social Security and Basic Plan and DCP Elected Officials Plan members are not. All new members must participate in the Coordinated Plan, with the exception of elected officials.

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

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

**B. Funding Policy**

*Minnesota statutes*, chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State legislature. The Township makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. GERF Coordinated Plan members and DCP Elected Officials Plan members were required to contribute 6.50 percent and 5.00 percent, respectively, of their annual covered salary in 2024. In 2024, the Township was required to contribute the following percentages of annual covered payroll: 7.5 percent for Coordinated Plan members and 5.00 percent for DCP Elected Officials Plan members. The Township's contributions to the GERF for the years ending December 31, 2024, 2023 and 2022 were 4,363, \$4,569, and \$3,975 respectively. The Township's contributions were equal to the contractually required contribution for each year as set by Minnesota statute.

Spring Lake Township  
Scott County, Minnesota  
Notes to the Financial Statements  
December 31, 2024

**Note 5: Other Information**

**A. Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Township carries insurance. The Township obtains insurance through participation in the Minnesota Association of Townships (MAT), which is a risk sharing pool with approximately 1,785 other governmental units. The Township pays an annual premium to MAT for its workers compensation and property and casualty insurance. The MAT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the Township's coverage in any of the past three fiscal years.

The Township is self-insured for unemployment compensation. The State of Minnesota permits Townships to levy local taxpayers for estimated future unemployment claims. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The Township's management is not aware of any incurred but not reported claims.

**B. Legal Debt Margin**

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

COMBINING AND INDIVIDUAL FUND  
FINANCIAL SCHEDULES

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

Spring Lake Township, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget and Actual (Continued on the Following Pages)  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes					
General property	\$ 543,000	\$ 543,000	\$ 563,294	\$ 20,294	\$ 448,354
Franchise fees	-	-	1,843	1,843	-
Total taxes	543,000	543,000	565,137	22,137	448,354
Licenses and permits					
Business	15,000	15,000	25,384	10,384	26,725
Intergovernmental					
Federal	-	-	-	-	240,887
State					
Property tax credits	6,500	6,500	5,912	(588)	6,276
Other grants and aids	-	-	690	690	284
Total intergovernmental	6,500	6,500	6,602	102	247,447
Charges for services					
General government	23,500	23,500	16,435	(7,065)	17,403
Culture and recreation	-	-	219	219	290
Total charges for services	23,500	23,500	16,654	(6,846)	17,693
Investment earnings	-	-	297	297	297
Miscellaneous	-	-	598	598	4,374
Total Revenues	588,000	588,000	615,080	27,080	745,313
Expenditures					
Current					
General government					
Town Board					
Personnel services	32,500	32,500	31,964	536	29,587
Other services and charges	-	-	250	(250)	-
Total Town Board	32,500	32,500	32,214	286	29,587
Treasurer					
Personnel services	14,000	14,000	12,630	1,370	13,536
Town Clerk					
Personnel services	49,000	49,000	53,377	(4,377)	48,131



Spring Lake Township, Minnesota  
General Fund  
Schedule of Revenues, Expenditures and Changes In  
Fund Balances - Budget and Actual (Continued)  
For the Year Ended December 31, 2024  
(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
Elections					
Personnel services	\$ 8,000	\$ 8,000	\$ 8,817	\$ (817)	\$ -
Other services and charges	-	-	391	(391)	2,002
Total elections	8,000	8,000	9,208	(1,208)	2,002
Auditing					
Other services and charges	26,500	26,500	26,500	-	25,150
Assessor					
Other services and charges	23,000	23,000	39,850	(16,850)	45,183
Legal					
Other services and charges	50,000	50,000	28,155	21,845	36,940
Engineering					
Other services and charges	50,000	50,000	51,400	(1,400)	47,398
Town hall building					
Personnel services	6,500	6,500	7,171	(671)	13,970
Supplies	18,000	18,000	6,266	11,734	-
Other services and charges	55,500	55,500	55,972	(472)	77,184
Total town hall building	80,000	80,000	69,409	10,591	91,154
Total general government	333,000	333,000	322,743	10,257	339,081
Public safety					
Fire					
Other services and charges	375,000	375,000	374,446	554	295,311
Culture and recreation					
Parks					
Other services and charges	20,000	20,000	26,548	(6,548)	38,720
Total current	728,000	728,000	723,737	4,263	673,112
Capital outlay					
Culture and recreation	-	-	-	-	2,392
Total Expenditures	728,000	728,000	723,737	4,263	675,504
Net Change in Fund Balances	(140,000)	(140,000)	(108,657)	31,343	69,809
Fund Balances, January 1	970,695	970,695	970,695	-	900,886
Fund Balances, December 31	\$ 830,695	\$ 830,695	\$ 862,038	\$ 31,343	\$ 970,695

# Spring Lake Township, Minnesota

## Debt Service Funds

### Combining Balance Sheet

December 31, 2024

	<u>Vergus</u>	<u>2015 G.O. Bond</u>	<u>2020 G.O. Bond</u>	<u>Total</u>
Assets				
Cash and temporary investments	\$ -	\$ -	\$ 124,137	\$ 124,137
Special assessments receivable	-	34,266	-	34,266
	<u>-</u>	<u>34,266</u>	<u>-</u>	<u>34,266</u>
Total Assets	<u>\$ -</u>	<u>\$ 34,266</u>	<u>\$ 124,137</u>	<u>\$ 158,403</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	\$ -	\$ 34,266	\$ -	\$ 34,266
	<u>-</u>	<u>34,266</u>	<u>-</u>	<u>34,266</u>
Fund Balances				
Restricted for debt service	-	-	124,137	124,137
	<u>-</u>	<u>-</u>	<u>124,137</u>	<u>124,137</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 34,266</u>	<u>\$ 124,137</u>	<u>\$ 158,403</u>

Spring Lake Township, Minnesota  
Debt Service Funds  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended December 31, 2024

	<u>Vergus</u>	<u>2015 G.O. Bond</u>	<u>2020 G.O. Bond</u>	<u>Total</u>
Revenues				
Special assessments	<u>\$ (990)</u>	<u>\$ 12,715</u>	<u>\$ -</u>	<u>\$ 11,725</u>
Expenditures				
Current				
Public works	869	-	-	869
Debt service				
Principal	63,000	100,000	100,000	263,000
Interest and other	630	7,800	6,800	15,230
Total Expenditures	<u>64,499</u>	<u>107,800</u>	<u>106,800</u>	<u>279,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,489)	(95,085)	(106,800)	(267,374)
Other Financing Sources (Uses)				
Transfers in	<u>1,118</u>	<u>95,085</u>	<u>111,615</u>	<u>207,818</u>
Net Change in Fund Balances	(64,371)	-	4,815	(59,556)
Fund Balances, January 1	<u>64,371</u>	<u>-</u>	<u>119,322</u>	<u>183,693</u>
Fund Balances, December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 124,137</u></u>	<u><u>\$ 124,137</u></u>

Spring Lake Township, Minnesota  
Summary Financial Report  
Revenues and Expenditures for General Operations -  
Governmental Funds  
For the Years Ended December 31, 2024 and 2023

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Property taxes	\$ 1,296,892	\$ 1,140,997	13.66 %
Franchise fees	12,129	12,363	(1.89)
Licenses and permits	25,384	26,725	(5.02)
Intergovernmental	51,687	465,703	(88.90)
Charges for services	21,115	25,013	(15.58)
Special assessments	43,473	47,405	(8.29)
Investment earnings	297	297	-
Miscellaneous	6,598	18,374	(64.09)
Total Revenues	<u>\$ 1,457,575</u>	<u>\$ 1,736,877</u>	(16.08) %
Per Capita	<u>\$ 418</u>	<u>\$ 503</u>	(16.73) %
Expenditures			
Current			
General government	\$ 322,743	\$ 339,081	(4.82) %
Public safety	374,446	295,311	26.80
Public works	356,163	604,023	(41.03)
Culture and recreation	26,548	38,720	(31.44)
Capital outlay			
Public works	66,308	104,811	(36.74)
Culture and recreation	-	2,392	(100.00)
Debt service			
Principal	263,000	333,000	(21.02)
Interest and other	15,230	20,910	(27.16)
Total Expenditures	<u>\$ 1,424,438</u>	<u>\$ 1,738,248</u>	(18.05) %
Per Capita	<u>\$ 409</u>	<u>\$ 503</u>	(18.69) %
Total Long-term Indebtedness	\$ 854,664	\$ 1,124,507	(24.00) %
Per Capita	245	325	(24.59)
General Fund Balance - December 31	\$ 862,038	\$ 970,695	(11.19) %
Per Capita	247	281	(11.88)

The purpose of this report is to provide a summary of financial information concerning Spring Lake Township to interested citizens. The complete financial statements may be examined at Town Hall, 20381 Fairlawn Avenue, Prior Lake, MN 55372. Questions about this report should be directed to Dave Johnson, Treasurer at (952) 492-7030.

OTHER REQUIRED REPORTS

SPRING LAKE TOWNSHIP  
SCOTT COUNTY, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Chairman and Board of Supervisors  
Spring Lake Township  
Scott County, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Spring Lake Township, Scott County, Minnesota (the Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2025.

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

This report is intended solely for the information and use of those charged with governance, management of the Township, and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



**Abdo**  
Minneapolis, Minnesota  
March 11, 2025

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

Chairman and Board of Supervisors  
Spring Lake Township, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Spring Lake Township, Scott County, Minnesota (the Township) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated March 11, 2025.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Finding and Response as finding 2024-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

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



### **The Township's Response to Finding**

The Township's response to the finding identified in our audit is described in the accompanying Schedule of Finding and Response. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Abdo**  
Minneapolis, Minnesota  
March 11, 2025



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Spring Lake Township  
Scott County, Minnesota  
Schedule of Finding and Response  
For the Year Ended December 31, 2024

<u>Finding</u>	<u>Description</u>
<b>2024-001</b>	<b>Preparation of Financial Statements</b>
<i>Condition:</i>	As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. It is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.
<i>Criteria:</i>	Internal controls should be in place to ensure adequate internal control over safeguarding of assets and the reliability of financial records and reporting.
<i>Cause:</i>	From a practical standpoint, we both prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.
<i>Effect:</i>	The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors in financial reporting. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosure in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.
<i>Recommendation:</i>	Under these circumstances, the most effective controls lie in management's knowledge of the Township's financial operations. It is the responsibility of management and those charged with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations. Regarding the specific situations listed above, we would offer the following recommendations: 1) Utilize a disclosure checklist to ensure that all required disclosures are present and agree to work papers, and 2) Agree your accounting information from QuickBooks to the amounts reported in the financial statements.
<i>Management Response:</i>	The Township's management accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.