

Current short-term rates being offered by financial institutions are very low as evidenced by the table of U.S. Treasury rates below. The U.S. Treasury rates provide a benchmark perspective for rate of return.

Treasury Yields									
Date	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
06/28/2019	2.18	2.12	2.09	1.92	1.75	1.71	1.76	1.87	2.00
09/30/2019	1.91	1.88	1.83	1.75	1.63	1.56	1.55	1.62	1.68
12/31/2019	1.48	1.55	1.60	1.59	1.58	1.62	1.69	1.83	1.92
03/31/2020	0.05	0.11	0.15	0.17	0.23	0.29	0.37	0.55	0.70
06/30/2020	0.13	0.16	0.18	0.16	0.16	0.18	0.29	0.49	0.66
09/30/2020	0.08	0.10	0.11	0.12	0.13	0.16	0.28	0.47	0.69
12/31/2020	0.08	0.09	0.09	0.10	0.13	0.17	0.36	0.65	0.93
03/31/2021	0.01	0.03	0.05	0.07	0.16	0.35	0.92	1.40	1.74
06/30/2021	0.05	0.05	0.06	0.07	0.25	0.46	0.87	1.21	2.06
09/30/2021	0.07	0.04	0.05	0.09	0.28	0.53	0.98	1.32	1.52
12/31/2021	0.06	0.06	0.19	0.39	0.73	0.97	1.26	1.44	1.52
03/31/2022	0.17	0.52	1.06	1.63	2.28	2.45	2.42	2.40	2.32
06/30/2022	1.28	1.72	2.51	2.80	2.92	2.99	3.01	3.04	2.98
09/30/2022	2.79	3.33	3.92	4.05	4.22	4.25	4.06	3.97	3.83
12/30/2022	4.12	4.42	4.76	4.73	4.41	4.22	3.99	3.96	3.88
03/31/2023	4.74	4.85	4.94	4.64	4.06	3.81	3.60	3.55	3.48
06/30/2023	5.24	5.43	5.47	5.40	4.87	4.49	4.13	3.97	3.81
09/30/2023	5.55	5.55	5.53	5.46	5.03	4.80	4.60	4.61	4.59
12/31/2023	5.60	5.40	5.26	4.79	4.23	4.01	3.84	3.88	3.88

#### Budget Summary

A more detailed analysis of funds is included as Attachment A.

#### Cash Balance Summary

A detailed view of department totals compared with budget is included as Attachment B.

#### Investment Summary

A detailed summary of current investments is included as Attachment C.

#### Enterprise Fund Summary

A detailed summary of enterprise fund financial results is included as Attachment D.

#### Revenue and Expenditures

A detail of revenues and expenditures is included.

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

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

**Abdo Financial Solutions, LLC**

City of Freeport, Minnesota  
Statement of Revenue and Expenditures -  
Budget and Actual -  
General Fund (Unaudited)  
For the Twelve Months Ended December 31, 2023

ATTACHMENT A

	Annual Budget	Actual Through 12/31/2023	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget through 12/31/2023
<b>Revenues</b>				
Taxes	\$ 254,968	\$ 244,152	\$ (10,816) *	95.8 %
Licenses and permits	13,400	39,518	26,118 (1)	294.9
Intergovernmental	130,503	161,071	30,568 (2)	123.4
Charges for services	4,650	110	(4,540)	2.4
Fines and forfeitures	1,000	824	(176)	82.4
Interest on investments	4,000	2,944	(1,056)	73.6
Miscellaneous	1,200	11,260	10,060	938.3
Donations	-	6,370	6,370	N/A
<b>Total Revenues</b>	<b>409,721</b>	<b>466,249</b>	<b>56,528</b>	<b>113.8</b>
<b>Expenditures</b>				
General Government	152,450	135,180	17,270	88.7
Council	5,151	3,551	1,600	68.9
Executive (Mayor/Manager)	3,248	1,678	1,570	51.7
City clerk office	85,145	75,334	9,811	88.5
Elections	4,400	1,850	2,550	42
Auditor	15,400	18,746	(3,346)	121.7
Assessor	4,900	4,847	53	98.9
Planning and zoning	750	1,376	(626)	183.5
Building Official	4,300	17,173	(12,873)	399.4
Fire & Rescue Area Fire Service	44,805	44,805	-	100.0
Public Works	92,012	137,330	(45,318) (3)	149.3
Highways, Streets & Roadways	54,910	33,741	21,169 (4)	61.4
Street Lighting	21,200	19,494	1,706	92.0
Parks	11,550	16,603	(5,053)	143.7
<b>Total Expenditures</b>	<b>500,221</b>	<b>511,708</b>	<b>(11,487)</b>	<b>102.3</b>
<b>Excess Revenues (Expenditures)</b>	<b>(90,500)</b>	<b>(45,459)</b>	<b>45,041</b>	<b>50.2</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	90,500	90,500	-	100.0
<b>Total Other Financing Sources (Uses)</b>	<b>90,500</b>	<b>90,500</b>	<b>-</b>	<b>100.0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ 45,041</b>	<b>\$ 45,041</b>	<b>N/A %</b>

\* Typically property taxes are received in July and December.

Item      Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance due to new Welle building permit.
- (2) Variance due to one time payment for Public Safety Aid for \$29,845.
- (3) Variance due to the purchase of a new public works truck for \$55,500.
- (4) Variance due to not as many truck repairs, outside maintenance and no crack sealing.

City of Freeport, Minnesota  
Unaudited Cash Balances by Fund  
December 31, 2022 and December 31, 2023

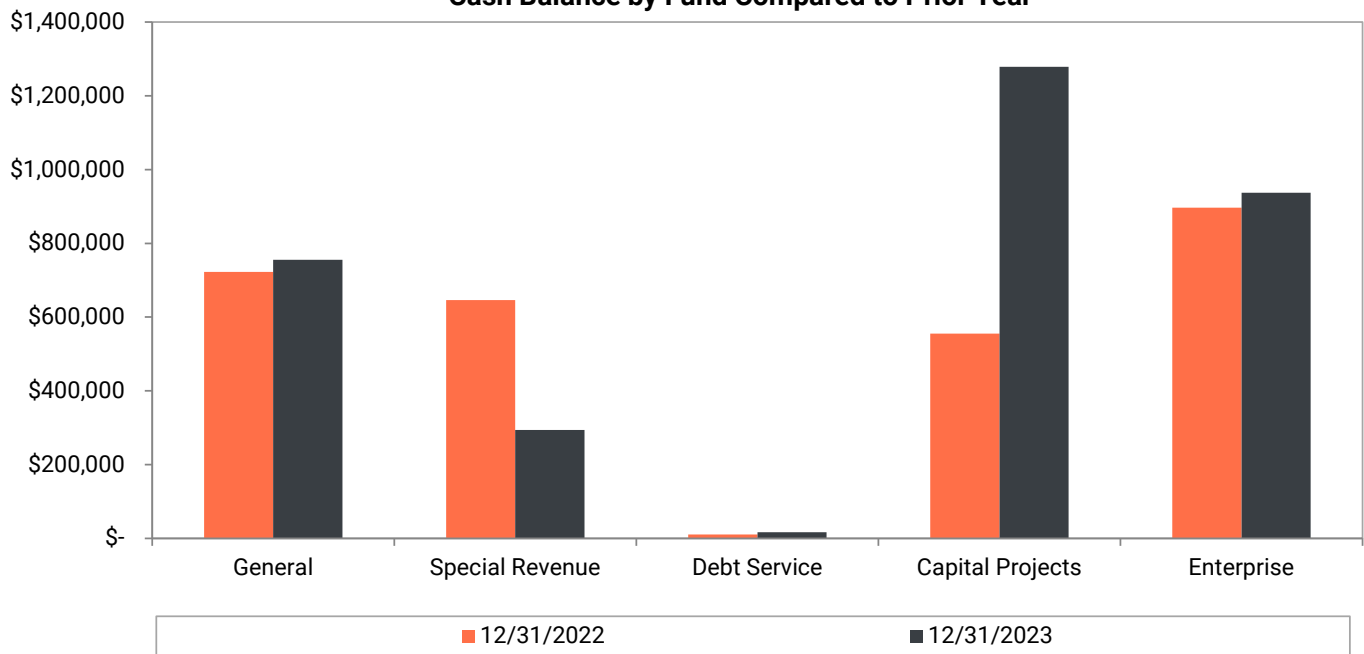
ATTACHMENT B

Fund		Balance 12/31/2022	Balance 12/31/2023	YTD Change From 12/31/2022
101	General Fund	\$ 722,811	\$ 755,653	\$ 32,842
225	AFSA Fund	402,263	21,251	(381,012) (1)
246	American Rescue Plan COVID-19 Grant	72,745	73,203	458
265	TIF Swany White	1,429	-	(1,429)
300	EDA	69,091	98,584	29,493
326	Bonds, 2013 (Refunding of Main St Improvements)	6,074	12,793	6,719
331	Bonds, 2012 (Refunding of Industrial Park)	4,200	4,233	33
401	Sidewalk Capital Fund	-	-	-
403	FD Equipment Replacement Fund	-	83,005	83,005 (2)
404	FD Vehicle Replacement Fund	-	332,043	332,043 (3)
405	FD Building Replacement Fund	-	32,668	32,668
407	2006 Small Cities Grant	100,578	101,211	633
410	South End Park Fund	35,584	41,823	6,239
412	North End Park Fund	2,844	2,861	17
416	Bucket Fund - Old Tower Preservation	60,372	60,752	380
417	Street Improvements	220,641	336,492	115,851 (4)
418	Capital Equipment	72,076	82,556	10,480
419	Street Lights	163,484	191,209	27,725
420	2021 Project - Storm Water/Street, Water, and Wastewater	-	115,141	115,141 (5)
601	Water	482,435	475,657	(6,778)
602	Waste Water	249,075	280,181	31,106
603	Water - USDA Reserve	137,795	151,662	13,867
604	Waste Water - USDA Reserve	27,125	29,925	2,800
Total		<u>\$ 2,830,619</u>	<u>\$ 3,282,902</u>	<u>\$ 452,284</u>

Item      Explanation of Changes with a \$ Variance Greater than \$50,000.

- (1) Decrease in cash due to new capital funds established for the Fire Department.
- (2) Increase in cash due to establishment of new Fire Department Equipment Replacement fund.
- (3) Increase in cash due to establishment of new Fire Department Vehicle Replacement fund.
- (4) Variance is due to project costs.
- (5) Increase in cash due to first year Fire/Mill project levy received.

**Cash Balance by Fund Compared to Prior Year**



Fund	
General	Capital Projects
Special Revenue	Enterprise
Debt Service	
Key	
Balance increased more than 10% over prior year	
Balance decreased more than 10% over prior year	
Balance within 10% of prior year	

City of Freeport, Minnesota  
Schedule of Investments  
For the Month Ending  
December 31, 2023

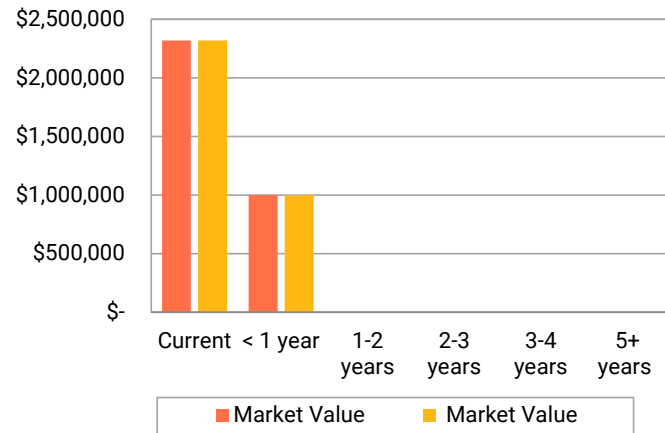
FDIC #	Identification (CUSIP or Acct #)	Institution	Description	Type	Rate	Rating	Face/Cost	Purchase	Maturity	Market Value 1/1/2023	Deposits - Purchases	Expenditures - Sales	Transfers	Interest	Unadjusted Market Value 12/31/2023	Market Value 12/31/2023	Unrealized Gain / Loss
	00-004-2	Freeport State Bank	Checking	Checking		n/a	n/a	n/a	Current	\$ 2,739,281.16	\$ 1,680,192.06	\$ (1,177,897.07)	\$ (1,000,000.00)	\$ 16,566.34	\$ 2,258,142.49	\$ 2,258,142.49	\$ -
							-			2,739,281.16	1,680,192.06	(1,177,897.07)	(1,000,000.00)	16,566.34	2,258,142.49	2,258,142.49	-
		CMCU	Money Market	Money Market			n/a	n/a	Current	59,070.84	-	-	-	542.95	59,613.79	59,613.79	-
		CMCU	Money Market Share	Money Market			n/a	n/a	Current	35.08	-	-	-	-	35.08	35.08	-
239045		Freeport State Bank		CD	4.50%		250,000.00		03/11/24	-	-	-	250,000.00	-	250,000.00	250,000.00	-
239046		Freeport State Bank		CD	4.75%		500,000.00		06/11/24	-	-	-	500,000.00	-	500,000.00	500,000.00	-
239047		Freeport State Bank		CD	5.20%		250,000.00		12/11/24	-	-	-	250,000.00	-	250,000.00	250,000.00	-
							1,000,000.00			59,105.92	-	-	1,000,000.00	542.95	1,059,648.87	1,059,648.87	-
		Total Cash and Investments								\$ 2,798,387.08	\$ 1,680,192.06	\$ (1,177,897.07)	\$ -	\$ 17,109.29	\$ 3,317,791.36	\$ 3,317,791.36	\$ -
														Deposits in Transit-GF	\$ -		
														Outstanding Checks-GF	(34,889.46)		
														Reconciled Balance	\$ 3,282,901.90		

PRELIMINARY

City of Freeport, Minnesota  
Investments  
For the Month Ending December 31, 2023

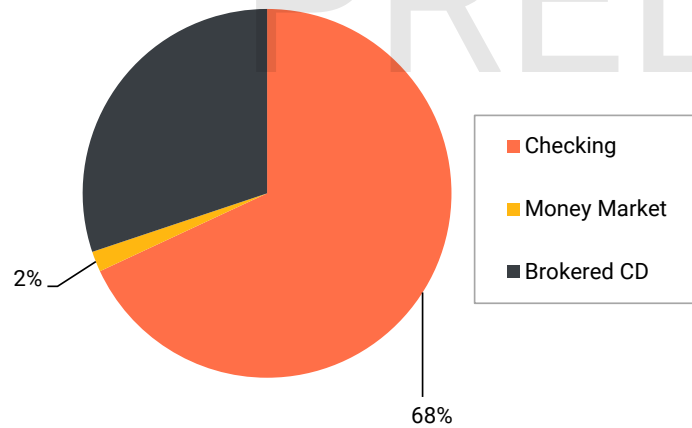
ATTACHMENT C

**Maturities**



Maturity	Unadjusted Market Value 12/31/2023	Market Value 12/31/2023	Variance 12/31/2023
Current	\$ 2,317,791.36	\$ 2,317,791.36	\$ -
< 1 year	1,000,000	1,000,000	-
1-2 years	-	-	-
2-3 years	-	-	-
3-4 years	-	-	-
5+ years	-	-	-
	<u>\$ 3,317,791.36</u>	<u>\$ 3,317,791.36</u>	<u>\$ -</u>

Weighted average Rate of return	1.45%	12/31/2023
Average Maturity (years)	-	12/31/2023



Investment Type	Market Value 12/31/2023
Checking	\$ 2,258,142.49
Money Market	59,648.87
Brokered CD	1,000,000.00
	<u>\$ 3,317,791.36</u>

**Operating Account**

O/S Deposits	\$ -
O/S Checks	(34,889.46)
Reconciled Balance	<u>\$ 3,282,901.90</u>

City of Freeport, Minnesota  
Statement of Revenues and Expenses -  
Budget and Actual -  
AFSA Fund (Unaudited)  
For the Twelve Months Ended December 31, 2023

ATTACHMENT D

**ASFA FUND**

	<b>Annual Budget</b>	<b>Actual Thru 12/31/2023</b>	<b>Variance - Favorable (Unfavorable)</b>	<b>Percent Received or Expended Based on Actual Thru 12/31/2023</b>
<b>Revenues</b>				
Intergovernmental	\$ 23,950	\$ 35,610	\$ 11,660 (1)	148.7 %
Charges for Service	117,775	106,005	(11,770)	90.0
Contributions and Donations	6,500	7,354	854	113.1
Interest Earnings	2,000	2,063	63	103.2
Miscellaneous Revenue	-	522	522	N/A
<b>Total Revenues</b>	<u>150,225</u>	<u>151,554</u>	<u>1,329</u>	<u>100.9</u>
<b>Expenses</b>				
Salaries	39,164	37,470	1,694	95.7
Operating Supplies	7,500	5,482	2,018	73.1
Repair and Maintenance	1,200	2,969	(1,769)	247.4
Training, Dues, & Subscriptions	9,500	13,384	(3,884)	140.9
Utilities	6,300	6,568	(268)	104.3
Uniforms	7,000	1,498	5,502	21.4
Vehicles & Equipment	11,500	4,899	6,601	42.6
Insurance	8,300	15,649	(7,349)	188.5
Professional Services	7,500	6,855	645	91.4
Miscellaneous Expenses	27,600	36,584	(8,984)	132.6
<b>Total Expenses</b>	<u>125,564</u>	<u>131,358</u>	<u>(5,794)</u>	<u>104.6</u>
Transfers in	44,805	44,805	-	100.0
Transfers out	<u>(3,500)</u>	<u>(373,132)</u>	<u>(369,632) (2)</u>	<u>10,660.9</u>
<b>Excess Revenues Over (Under) Expenses</b>	<u>\$ 65,966</u>	<u>\$ (308,131)</u>	<u>\$ (374,097)</u>	

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$10,000.

- (1) Variance due to increase in fire fighter training in current year.  
 (2) Variance due to establishment of three new capital funds for equipment, vehicle and building replacements.

City of Freeport, Minnesota  
Statement of Revenues and Expenses -  
Budget and Actual -  
Water Fund (Unaudited)  
For the Twelve Months Ended December 31, 2023

ATTACHMENT D

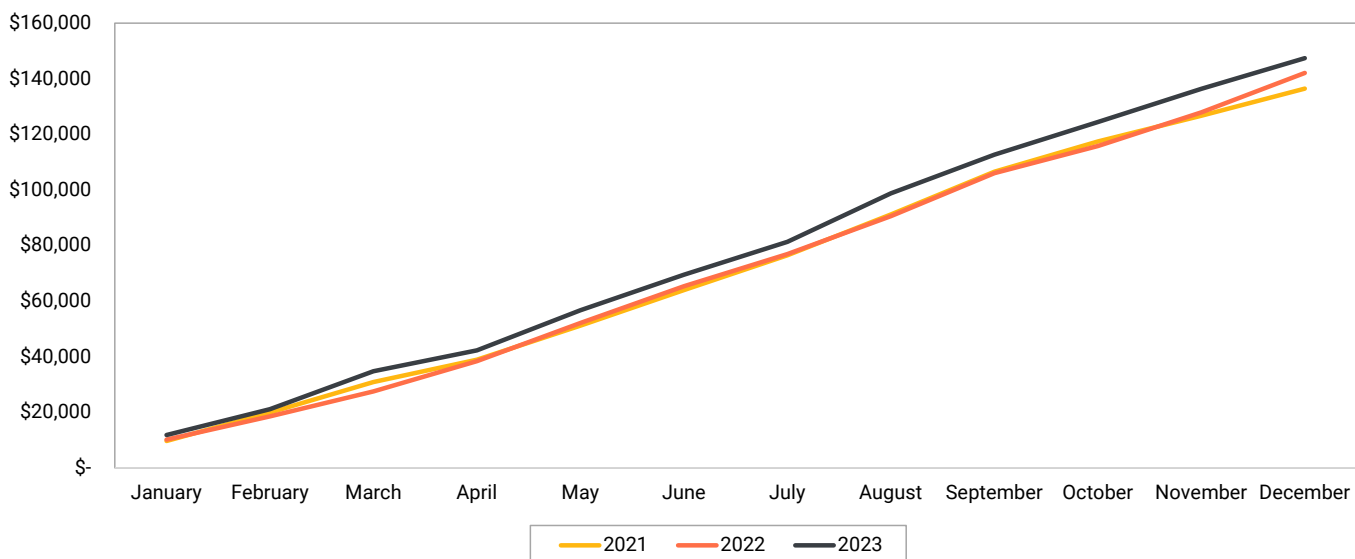
**WATER FUND**

	Annual Budget	Actual Thru 12/31/2022	Actual Thru 12/31/2023	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Actual Thru 12/31/2023
<b>Revenues</b>					
Charges for services	\$ 131,200	143,278	\$ 148,378	\$ 5,100	103.6 %
Property taxes & special assessments	7,000	3,892	19,230	15,338 (1)	494.1
Interest earnings	4,000	3,451	2,988	(463)	86.6
<b>Total Revenues</b>	<b>142,200</b>	<b>150,621</b>	<b>170,596</b>	<b>19,975</b>	<b>113.3</b>
<b>Expenses</b>					
Supplies	3,000	3,260	10,286	(7,026)	315.5
Other services and charges	4,020	7,548	8,362	(814)	110.8
Repair and maintenance	4,000	-	206	(206)	N/A
Utilities	6,500	8,402	7,410	992	88.2
Training, Dues, & Subscriptions	6,420	5,624	5,199	425	92.4
Depreciation	71,400	73,145	72,410	735	99.0
Insurance	950	1,849	1,373	476	74.3
Bond principal	43,000	-	-	-	N/A
Bond interest	27,950	27,881	31,080	(3,199)	111.5
<b>Total Expenses</b>	<b>167,240</b>	<b>127,709</b>	<b>136,326</b>	<b>(8,617)</b>	<b>106.7</b>
Transfers in	-	-	-	-	N/A
Transfers out	(54,867)	(54,867)	(54,867)	-	100.0
<b>Excess Revenues Over (Under) Expenses</b>	<b>\$ (79,907)</b>	<b>\$ (31,955)</b>	<b>\$ (20,597)</b>	<b>\$ 11,358</b>	

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$10,000.

(1) Variance due to special assessment payoffs.

**Water Sales Comparison 2021 - 2023**





City of Freeport, Minnesota  
Statement of Revenues and Expenses -  
Budget and Actual -  
Waste Water (Unaudited)  
For the Twelve Months Ended December 31, 2023

ATTACHMENT D

**WASTE WATER FUND**

	Annual Budget	Actual Thru 12/31/2022	Actual Thru 12/31/2023	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Actual Thru 12/31/2023
<b>Revenues</b>					
Charges for services	\$ 135,000	\$ 139,364	\$ 136,113	\$ (3,251)	100.8 %
Connection charges	1,200	1,200	-	(1,200)	-
Interest earnings	1,300	2,341	1,819	(522)	139.9
<b>Total Revenues</b>	<b>137,500</b>	<b>142,905</b>	<b>137,932</b>	<b>(4,973)</b>	<b>100.3</b>
<b>Expenses</b>					
Supplies	3,800	3,246	3,513	(267)	92.4
Other services and charges	3,300	3,484	5,142	(1,658)	155.8
Repair and maintenance	24,500	7,119	24,048	(16,929)	98.2
Utilities	1,150	1,159	1,340	(181)	116.5
Training, Dues, & Subscriptions	2,505	1,870	2,042	(172)	81.5
Depreciation	61,632	62,962	62,962	-	102.2
Insurance	1,200	3,130	1,734	1,396	144.5
Bond principal	25,000	-	-	-	-
Bond interest	300	(932)	300	(1,232)	100.0
<b>Total Expenses</b>	<b>123,387</b>	<b>82,038</b>	<b>101,081</b>	<b>(19,043)</b>	<b>81.9</b>
Transfers out	(43,800)	(43,800)	(43,800)	-	100.0
<b>Excess Revenues Over (Under) Expenses</b>	<b>\$ (29,687)</b>	<b>\$ 17,067</b>	<b>\$ (6,949)</b>	<b>\$ (24,016)</b>	

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$10,000.

**Waste Water Sales Comparison 2021 - 2023**

