

CITY OF EDEN VALLEY
Meeker and Stearns Counties, Minnesota
AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

CITY OF EDEN VALLEY

TABLE OF CONTENTS

ELECTED OFFICIALS AND ADMINISTRATION	1
INDEPENDENT AUDITOR’S REPORT	2
REGULATORY BASIS FINANCIAL STATEMENTS	
Statement of Balances Arising from Cash Transactions – Governmental Funds	6
Statement of Cash Receipts, Disbursements and Changes in Cash Fund Balances – Governmental Funds	8
Statement of Balances Arising from Cash Transactions – Proprietary Funds	10
Statement of Receipts, Disbursements and Changes in Net Cash Position – Proprietary Funds	11
Statement of Cash Flows – Cash Basis – Proprietary Funds	12
Statement of Fiduciary Net Position	13
Statement of Changes in Fiduciary Net Position	13
Notes to the Financial Statements	15
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Schedule of Receipts, Disbursements and Changes in Cash Fund Balances – Budget and Actual – General Fund	34
Schedule of Receipts, Disbursements and Changes in Cash Fund Balances – Budget and Actual – TIF Districts	37
Schedule of Receipts, Disbursements and Changes in Cash Fund Balances – Budget and Actual – Hawks Athletic Field	38
Combining Balance Sheet – Nonmajor Governmental Funds	40
Combining Statement of Cash Receipts, Disbursements and Changes in Cash Fund Balances – Nonmajor Governmental Funds	44
ADDITIONAL SUPPLEMENTARY INFORMATION	
Schedule of Accounts Receivable	50
Schedule of Accounts Payable and Contingent Liabilities	51

CITY OF EDEN VALLEY
ELECTED OFFICIALS AND ADMINISTRATION
December 31, 2013

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Pete Korman	Mayor	December 31, 2014
Kevon Gabrelcik	Council Member	December 31, 2014
Dan Thielen	Council Member	December 31, 2014
Jeff Bradshaw	Council Member	December 31, 2016
Vacant	Council Member	December 31, 2016
<u>Administration</u>		
Mona Haag	City Clerk/Treasurer	Appointed



Expert advice. When you need it.SM

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Eden Valley
Eden Valley, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the City of Eden Valley, Minnesota, as of and for the year ended December 31, 2013, and the related Notes to the Financial Statements, which collectively comprise the City's regulatory basis financial statements as listed in the Table of Contents. We have also audited the additional supplementary information as listed in the Table of Contents for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting discussed in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Minnesota Office of the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Eden Valley, Minnesota as of December 31, 2013, the changes in financial position or its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective cash balances of each major fund and the aggregate remaining fund information of the City of Eden Valley, Minnesota, as of December 31, 2013, and the respective changes in cash balances and cash flows, where applicable, thereof for the year then ended in conformity with the regulatory basis of accounting discussed in Note 1. In addition, in our opinion, the additional supplementary information referred to in the first paragraph presents fairly, in all material respects, the accounts receivable and accounts payable balances of the City’s funds as of December 31, 2013, in conformity with the regulatory basis of accounting discussed in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eden Valley’s regulatory financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of the City of Eden Valley'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eden Valley's internal control over financial reporting and compliance.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
March 21, 2014

REGULATORY BASIS FINANCIAL STATEMENTS

CITY OF EDEN VALLEY

**STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS -
GOVERNMENTAL FUNDS
December 31, 2013**

		<u>Capital Projects</u>
	General Fund (100)	HWY 22 Project (430)
ASSETS		
Cash and Investments	\$ 547,024	\$ 1,375,168
Due from Other Funds	9,161	-
Total Assets	<u>\$ 556,185</u>	<u>\$ 1,375,168</u>
LIABILITIES AND CASH FUND BALANCES		
Liabilities		
Due to Other Funds	\$ -	\$ -
Cash Fund Balances		
Restricted	-	-
Committed	-	1,375,168
Assigned	33,000	-
Unassigned	523,185	-
Total Cash Fund Balances	<u>556,185</u>	<u>1,375,168</u>
Total Liabilities and Cash Fund Balances	<u>\$ 556,185</u>	<u>\$ 1,375,168</u>

Special Revenue			
TIF Districts (240, 245, 250 and 280)	Hawks Athletic Field (290)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 397,478	\$ 2,319,670
-	-	-	9,161
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,478</u>	<u>\$ 2,328,831</u>
\$ 4,634	\$ 4,190	\$ 337	\$ 9,161
-	-	266,110	266,110
-	-	131,368	1,506,536
-	-	-	33,000
<u>(4,634)</u>	<u>(4,190)</u>	<u>(337)</u>	<u>514,024</u>
<u>(4,634)</u>	<u>(4,190)</u>	<u>397,141</u>	<u>2,319,670</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,478</u>	<u>\$ 2,328,831</u>

CITY OF EDEN VALLEY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

		<u>Capital Projects</u>
	General Fund (100)	HWY 22 Project (430)
RECEIPTS		
General Property Taxes	\$ 390,893	\$ -
Tax Increments	-	-
Special Assessments	470	819
Licenses and Permits	8,875	-
Intergovernmental	260,290	1,343,869
Charges for Service	72,917	-
Fines and Forfeitures	1,514	-
Investment Earnings	3,071	103
Miscellaneous:		
Refunds and Reimbursements	30,698	150,000
Donations and Contributions	475	-
Other	9,755	-
Total Receipts	<u>778,958</u>	<u>1,494,791</u>
DISBURSEMENTS		
Current		
General Government	234,410	-
Public Safety	279,106	-
Public Works	171,531	531,911
Culture and Recreation	27,710	-
Economic Development	-	-
Debt Service		
Principal	45,695	-
Interest and Other Charges	17,936	-
Capital Outlay		
Public Safety	10,574	-
Public Works	-	997,907
Economic Development	-	-
Total Disbursements	<u>786,962</u>	<u>1,529,818</u>
Excess of Receipts Over (Under) Disbursements	(8,004)	(35,027)
OTHER FINANCING SOURCES (USES)		
Proceeds from Sale of Capital Asset	1,485	-
Bond Issuance	-	1,553,163
Transfers In	39,538	-
Transfers Out	(6,670)	(39,538)
Total Other Financing Sources (Uses)	<u>34,353</u>	<u>1,513,625</u>
Net Change in Cash Fund Balances	26,349	1,478,598
CASH FUND BALANCES		
Beginning of Year	<u>529,836</u>	<u>(103,430)</u>
End of Year	<u>\$ 556,185</u>	<u>\$ 1,375,168</u>

The Notes to the Financial Statements are an integral part of this statement.

Special Revenue			
TIF Districts (240, 245, 250 and 280)	Hawks Athletic Field (290)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 17,703	\$ 408,596
21,632	-	-	21,632
-	-	69,424	70,713
-	-	-	8,875
-	-	11,500	1,615,659
-	-	-	72,917
-	-	-	1,514
-	-	303	3,477
-	-	39,959	220,657
-	3,000	62,854	66,329
-	-	30,738	40,493
<u>21,632</u>	<u>3,000</u>	<u>232,481</u>	<u>2,530,862</u>
-	-	-	234,410
-	-	14,731	293,837
-	-	-	703,442
-	6,220	28,247	62,177
18,636	-	136,234	154,870
-	-	55,000	100,695
-	-	64,252	82,188
-	-	231,177	241,751
-	-	-	997,907
-	-	28,035	28,035
<u>18,636</u>	<u>6,220</u>	<u>557,676</u>	<u>2,899,312</u>
2,996	(3,220)	(325,195)	(368,450)
-	-	-	1,485
-	-	259,543	1,812,706
-	-	38,970	78,508
-	-	(22,800)	(69,008)
<u>-</u>	<u>-</u>	<u>275,713</u>	<u>1,823,691</u>
2,996	(3,220)	(49,482)	1,455,241
<u>(7,630)</u>	<u>(970)</u>	<u>446,623</u>	<u>864,429</u>
<u>\$ (4,634)</u>	<u>\$ (4,190)</u>	<u>\$ 397,141</u>	<u>\$ 2,319,670</u>

CITY OF EDEN VALLEY

**STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS -
PROPRIETARY FUNDS
December 31, 2013**

	Enterprise Funds			
	Water (510)	Sewer (520)	Senior Housing (530)	Total
ASSETS				
Cash and Investments	<u>\$ 281,144</u>	<u>\$ 319,710</u>	<u>\$ 2,718</u>	<u>\$ 603,572</u>
NET CASH POSITION				
Unrestricted	<u>\$ 281,144</u>	<u>\$ 319,710</u>	<u>\$ 2,718</u>	<u>\$ 603,572</u>

CITY OF EDEN VALLEY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET CASH POSITION - PROPRIETARY FUNDS**

December 31, 2013

	Enterprise Funds			
	Water (510)	Sewer (520)	Senior Housing (530)	Total
OPERATING RECEIPTS				
Charges for Services	\$ 309,307	\$ 129,404	\$ 121,639	\$ 560,350
Connection Fees	4,281	-	-	4,281
Miscellaneous Operating Revenues	5,517	12,658	-	18,175
Total Operating Receipts	<u>319,105</u>	<u>142,062</u>	<u>121,639</u>	<u>582,806</u>
OPERATING DISBURSEMENTS				
Salaries and Benefits	53,136	37,169	6,217	96,522
Operating Supplies	19,942	5,262	1,834	27,038
Repairs and Maintenance	39,491	3,900	10,036	53,427
Professional Services	10,064	17,310	19,908	47,282
Utilities	17,310	8,505	12,286	38,101
Miscellaneous Expenses	11,172	5,286	8,155	24,613
Total Operating Disbursements	<u>151,115</u>	<u>77,432</u>	<u>58,436</u>	<u>286,983</u>
Excess of Operating Receipts Over Operating Disbursements	167,990	64,630	63,203	295,823
NONOPERATING RECEIPTS (DISBURSEMENTS)				
Investment Income	3,607	5,576	6	9,189
Intergovernmental	3,790	-	-	3,790
Refunds and Reimbursements	4,270	-	-	4,270
Other	585	7,722	2,775	11,082
Interest Expense	(38,789)	(9,923)	(22,069)	(70,781)
Total Nonoperating Receipts (Disbursements)	<u>(26,537)</u>	<u>3,375</u>	<u>(19,288)</u>	<u>(42,450)</u>
Net Income before Debt and Other Items	141,453	68,005	43,915	253,373
Debt Principal	(148,000)	(29,000)	(465,000)	(642,000)
Bond Issuance	-	-	406,000	406,000
Transfers Out	<u>-</u>	<u>(9,500)</u>	<u>-</u>	<u>(9,500)</u>
Change in Net Cash Position	(6,547)	29,505	(15,085)	7,873
NET CASH POSITION				
Beginning of Year	<u>287,691</u>	<u>290,205</u>	<u>17,803</u>	<u>595,699</u>
End of Year	<u>\$ 281,144</u>	<u>\$ 319,710</u>	<u>\$ 2,718</u>	<u>\$ 603,572</u>

The Notes to the Financial Statements are an integral part of this statement.

CITY OF EDEN VALLEY

**STATEMENT OF CASH FLOWS - CASH BASIS -
PROPRIETARY FUNDS
December 31, 2013**

	<u>Water (510)</u>	<u>Sewer (520)</u>	<u>Senior Housing</u>	<u>Total</u>
CASH FLOWS - OPERATING ACTIVITIES				
Receipts from Customers	\$ 233,450	\$ 142,062	\$ 121,639	\$ 497,151
Payments to Suppliers	(87,674)	(40,125)	(52,219)	(180,018)
Payments to Employees	<u>(52,967)</u>	<u>(37,307)</u>	<u>(6,217)</u>	<u>(96,491)</u>
Net Cash Flows - Operating Activities	<u>92,809</u>	<u>64,630</u>	<u>63,203</u>	<u>220,642</u>
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES				
Payment from Other Fund	(10,000)	-	-	(10,000)
Miscellaneous Revenue	18,645	7,722	2,775	29,142
Transfers to Other Funds	<u>-</u>	<u>(9,500)</u>	<u>-</u>	<u>(9,500)</u>
Net Cash Flows - Noncapital Financing Activities	<u>8,645</u>	<u>(1,778)</u>	<u>2,775</u>	<u>9,642</u>
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES				
Loan Repayment Proceeds	67,500	-	-	67,500
Acquisition of Capital Assets	(10,474)	-	-	(10,474)
Proceeds from Bond Issuance	-	-	406,000	406,000
Principal Paid on Capital Debt	(148,000)	(29,000)	(465,000)	(642,000)
Interest Paid on Capital Debt	<u>(20,634)</u>	<u>(9,923)</u>	<u>(22,069)</u>	<u>(52,626)</u>
Net Cash Flows - Capital and Related Financing Activities	<u>(111,608)</u>	<u>(38,923)</u>	<u>(81,069)</u>	<u>(231,600)</u>
CASH FLOWS - INVESTING ACTIVITIES				
Interest and Dividends	<u>3,607</u>	<u>5,576</u>	<u>6</u>	<u>9,189</u>
Net Change in Cash and Cash Equivalents	<u>(6,547)</u>	<u>29,505</u>	<u>(15,085)</u>	<u>7,873</u>
CASH AND CASH EQUIVALENTS				
Beginning of Year	<u>287,691</u>	<u>290,205</u>	<u>17,803</u>	<u>595,699</u>
End of Year	<u><u>\$ 281,144</u></u>	<u><u>\$ 319,710</u></u>	<u><u>\$ 2,718</u></u>	<u><u>\$ 603,572</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contribution of Capital Assets from Governmental Activities	\$ 452,976	\$ 186,471	\$ -	\$ 639,447
Debt related to Contributed Capital Assets	<u>(452,976)</u>	<u>(152,512)</u>	<u>-</u>	<u>(605,488)</u>
Total Noncash Activities	<u><u>\$ -</u></u>	<u><u>\$ 33,959</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,959</u></u>

CITY OF EDEN VALLEY

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2013

	<u>Liquor Trust</u>
ASSETS	
Current	
Cash and Investments	<u>\$ 220,141</u>
NET POSITION	
Held in Trust for Benefits and Other Purposes	<u>\$ 220,141</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2013

	<u>Liquor Trust</u>
ADDITIONS	
Investment Interest	<u>\$ 3,330</u>
Change in Net Position	3,330
NET POSITION	
Beginning of Year	<u>216,811</u>
End of Year	<u>\$ 220,141</u>

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CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Eden Valley is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, account groups, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the regulatory financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

As a result of applying the component unit definition criteria above, the following organization has been defined and is presented in this report as follows:

Blended Component Units – Reported as if they were part of the City.

For the above category, the specific entity is identified as follows:

1. Blended Component Unit

The Eden Valley Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the Eden Valley EDA is reported as if it were part of the primary government because it provides services exclusively for the City. Separate financial statements are not prepared for the Eden Valley EDA.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the City are maintained and the accompanying financial statements have been prepared, on a regulatory basis of accounting prescribed by the Minnesota Office of the State Auditor. The regulatory basis of accounting is defined in the *Reporting and Publishing Requirements for City Audited Financial Statements for Cities Under 2,500 in Population Reporting on the Cash or Regulatory Basis of Accounting* issued by the State of Minnesota Office of the State Auditor on December 17, 2004. The regulatory basis allows revenues to be recognized when received rather than when earned, and expenditures to be recognized when paid rather than when the obligations are incurred.

Major proprietary funds are reported on an accrual basis of accounting in a separate report.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Description of Funds:

Major Governmental Funds:

General Fund – This Fund is the City’s primary operating fund. It accounts for all financial resources of the general City, except those required to be accounted for in another fund.

HWY 22 Project Fund – This Fund is a Capital Project Fund and accounts for all of the activity related to the Highway 22 project.

TIF Districts Special Revenue Fund – This fund accounts for all the activity relating to the TIF Districts. It is funded by tax increments.

Hawks Athletic Field Special Revenue Fund – This fund accounts for all the activity relating to the City’s athletic field. It is funded by donations.

Proprietary Funds:

Water Fund – This Fund accounts for the operations of the City’s water utility.

Sewer Fund – This Fund accounts for the operations of the City’s sewer utility.

Senior Housing – This Fund accounts for the activities and operation of the City’s senior housing facility.

Fiduciary Fund:

Liquor Trust – This Fund is used to account for the proceeds received from the sale of the municipal liquor store.

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 proprietary funds repairs and maintenance are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Cash, Cash Equivalents and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool. Investments are stated at fair value.

The Minnesota Municipal Investment Pool (4M Fund) is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the position in the pool is the same as the value of the pool shares.

Custodial Credit Risk – Deposits: For deposits, this is the risk that in the event of bank failure the City's deposits may not be returned to it. The City has adopted a deposit policy to address custodial risk for deposits that matches *Minnesota Statutes* requirement that deposits are collateralized at 110% of excess over Federal Deposit Insurance Corporation (FDIC) insurance.

The City has a formal deposit and investment policy to address the following risks:

Interest Rate Risk: This is the risk that correlates with managing exposure to fair value arising from increasing interest rates. The City's policy manages this by giving guidance on the safety of investing and managing the liquidity of the portfolio.

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to be in the top two ratings issued by nationally recognized statistical rating organizations. The City's policy limits investments to shares of the 4M Fund, direct obligations of the Department of the Treasury of the U.S Government and federal agency issues which are guaranteed by the U.S Government or its agencies as to principal and interest and general obligations of the State of Minnesota and local governments with taxing powers, which is rated A or better by a nation bond rating service, provided no single issue exceeds \$ 200,000 with maturities not exceeding seven years.

Concentration of Credit Risk: This is the risk that limits the amount the City may invest in any one issuer. The City's investment policy states investments shall be diversified to minimize credit risk; specifically, no more than 5% of the investment portfolio will be invested in the securities of a single issuer.

Custodial Credit Risk – Investments: For an investment, this is the risk that in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires all investments to be insured.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Property Tax Collection Calendar

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditors for collection the following year. The property tax is recorded as revenue when it is available. Meeker County and Stearns County are the collecting agencies for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15.

The County Auditors prepare the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditors also collect all special assessments, except for certain prepayments paid directly to the City.

The County Auditors submit the list of taxes and special assessments to be collected on each parcel of property to the County Treasurers in January of each year.

E. Vacation Leave

The City compensates employees who either retire or terminate for 100% of their accumulated unused vacation pay. As of December 31, 2013, the total liability for unused vacation pay was approximately \$ 14,082.

F. Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and disbursements during the reporting period. Actual results could differ from those estimates.

G. Cash Fund Balances

1. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- **Restricted Fund Balance** – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments or b) imposed by law through enabling legislation.
- **Committed Fund Balance** – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.
- **Assigned Fund Balance** – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City's Clerk/Treasurer based on the City Council's direction.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Cash Fund Balances (Continued)

1. Classification (Continued)

- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

If resources from more than one fund balance classification could be spent, the City will strive to spend resources from fund balance classifications in the following order, first to last: restricted, committed, assigned and unassigned.

2. Minimum Fund Balance

The City strives to maintain a General Fund unassigned fund balance of six months of operating expenses.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. In September of each year, City staff submits to the City Council, a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed disbursements and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. Budgets are adopted on a basis consistent with the regulatory basis of accounting.
5. Disbursements may not legally exceed budgeted appropriations at the fund level. No fund's budget can be increased without City Council approval. The City Council may authorize the transfer of budgeted amounts between departments within any fund. Management may amend budgets within a fund level, so long as the total fund budget is not changed.
6. Annual appropriated budgets are adopted during the year for the General, Enterprise and most Special Revenue Funds.
7. Budgeted amounts are as originally adopted or as amended by the City Council. No amendments were made to the budget in 2013. Budgeted disbursement appropriations lapse at year-end.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

B. Disbursements in Excess of Appropriations

Disbursements exceeded appropriations in the following Funds for the year ended December 31, 2013:

	<u>Disbursements</u>	<u>Appropriations</u>
TIF Districts	\$ 18,636	\$ 12,635
Nonmajor Special Revenue Funds:		
Valley Daze Celebration	21,600	15,000
Lions Park	6,647	5,920

C. Fund Balance Deficits

The following Funds had deficit cash fund balances at December 31, 2013:

TIF Districts	\$ (4,634)
Hawks Athletic Field	(4,190)
Lions Park	(337)

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

As of December 31, 2013, the City's bank balance was not exposed to custodial credit risk because the balance was insured through the FDIC with collateral pledged by the depository for amounts exceeding FDIC coverage.

As of December 31, 2013, the City had deposits as follows:

Checking	\$ 175,403
Savings and Money Market	<u>2,449</u>
Total Deposits and Petty Cash	<u>\$ 177,852</u>

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS

B. Investments

As of December 31, 2013, the City had the following investments:

Investment Type	Fair Value	Investment Maturities			Ratings
		1 Year or Less	1-2 Years	3-5 Years	
Pooled:					
Brokered Certificate of Deposits	\$ 1,013,569	\$ 206,909	\$ 203,370	\$ 603,290	N/A
Brokered Money Market	3,505	3,505	-	-	AAA
4M Money Market	519,122	519,122	-	-	N/A
Total Pooled Investments:	1,536,196	729,536	203,370	603,290	
Capital Projects Non-Pooled:					
4M Money Market	1,429,035	1,429,035	-	-	N/A
Total	<u>\$ 2,965,231</u>	<u>\$ 2,158,571</u>	<u>\$ 203,370</u>	<u>\$ 603,290</u>	
		Maximum Investments			
	Maturity				
	1 Year or Less		73%		
	1-2 Years		7%		
	3-5 Years		20%		

Concentration of Credit Risk: The City was exposed to this risk as the following certificates of deposits exceeded 5% of total investments: State Bank of India Chicago IL CD, Doral BK, American Express Centurion Bank, GE Cap Finl Inc, GE Capital Retail Bank, Midfirst Bank, World Financial Network Bank, GE Cap Finl and Amex Centurion.

C. Deposits and Investments

Cash and investments are classified in the December 31, 2013, regulatory basis financial statements as listed below and on the following page.

Petty Cash	\$ 300
Total Deposits	177,852
Total Investments	<u>2,965,231</u>
Total Deposits and Petty Cash	<u>\$ 3,143,383</u>

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS

C. Deposits and Investments (Continued)

Statement of Balances Arising from	
Cash Transactions - Governmental Funds:	
Cash and Investments	\$ 2,319,670
Statement of Balances Arising from	
Cash Transactions - Proprietary Funds:	
Cash and Investments	603,572
Statement of Fiduciary Net Position:	
Cash and Investments	<u>220,141</u>
Total Cash and Investments	<u><u>\$ 3,143,383</u></u>

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

A. Interfund Assets/Liabilities

At December 31, 2013, due from/to other funds for the City were as follows:

<u>Fund Type and Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other</u>
General Fund	\$ 9,161	\$ -
TIF Districts	-	4,634
Hawks Athletic Field	-	4,190
Other Governmental Funds:		
Lions Park	<u>-</u>	<u>337</u>
Total	<u><u>\$ 9,161</u></u>	<u><u>\$ 9,161</u></u>

The above interfund transactions were to cover deficit cash balances and will be repaid as funds become available.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

B. Interfund Transfers

For the year ended December 31, 2013, interfund transfers were included in the following Funds:

	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
Transfers Out:			
General Fund	\$ -	\$ 6,670	\$ 6,670
HWY 22 Project	39,538	-	39,538
Sewer Fund	-	9,500	9,500
Nonmajor Governmental Funds	-	22,800	22,800
Total	<u>\$ 39,538</u>	<u>\$ 38,970</u>	<u>\$ 78,508</u>

The purpose of the transfers was for debt service payments, reimbursement for project costs, street improvements and in accordance with fire contract agreements.

NOTE 5 – LONG-TERM PAYABLE

The City currently has a long-term payable to the Sauk River Watershed District for \$ 21,000. This payable is to pay costs for a project that was not completed at the City. The payable began in 2011 and is payable over 10 years, with annual payments of \$ 3,000. Interest is being paid at 3.5%, or an annual interest payment of \$ 105.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 6 – LONG-TERM DEBT

A. Bonds Payable

On December 12, 2013, the City issued \$ 406,000 Housing Development Revenue Refunding Bond, Series 2013C for the current refunding of the \$ 850,000 G.O. Housing Development Revenue Crossover Refunding Bonds, Series 2005A. The principal balance of the refunding bond is reported as long-term debt of the City. The refunding was done to extend the payments. The refunding resulted in a decrease in future debt service payments of \$ 4,012. The net present value cash flow savings from the transaction was \$ 11,870.

	Issue Year	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-Term Liabilities:						
Governmental Activities:						
General Obligation (G.O.)						
Bonds, Including Refunding Bonds:						
G.O. Improvement Bonds of 2003	2003	1.70%-4.10%	\$ 560,000	2019	\$ 210,000	\$ 35,000
G.O. Improvement Bonds of 2007	2007	4.3%	215,000	2018	115,000	20,000
G.O. Improvement Bonds of 2013B	2013	1.40% - 4.00%	1,050,000	2035	1,050,000	-
Total G.O. Bonds, Including Refunding Bonds					1,375,000	55,000
Stearns Electric Loan	2007	0.00%	360,000	2016	108,000	36,000
USDA Rural Development Loan	2009	4.50%	400,000	2049	384,001	4,459
Total Loans					492,001	40,459
G.O. Equipment Certificate	2013	3.25%	175,000	2023	175,000	-
Total Governmental Activities Liabilities					2,042,001	95,459
Enterprise Funds:						
G.O. Housing Development Revenue Refunding Bonds 2013C	2013	2.60%	406,000	2021	406,000	47,000
PFA Drinking Water Revolving Loan	1999	3.16%	1,881,057	2020	805,000	105,000
PFA Drinking Water Revolving Loan	2000	2.32%	644,890	2021	297,000	34,000
PFA Drinking Water Revolving Loan	2009	1.00%	286,461	2029	235,000	14,000
PFA Clean Water Revolving Loan	2009	1.74%	660,457	2029	540,000	30,000
PFA Drinking Water Forgivable Grant	2013	0.00%	697,316	2033	432,433	-
PFA Drinking Water Revolving Loan	2013	1.00%	174,329	2033	9,000	7,329
PFA Clean Water Revolving Loan	2013	1.46%	470,625	2033	146,273	16,625
Total Enterprise Fund Bonds					2,870,706	253,954
Total all Long-Term Liabilities					\$ 4,912,707	\$ 349,413

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 6 – LONG-TERM DEBT

A. Bonds Payable (Continued)

On September 11, 2013, the City issued a PFA Drinking Water Forgivable Grant that is not required to be repaid by the City except if conditions of the agreement are not met. At December 31, 2013, the City had only expended \$ 432,433 of this PFA Drinking Water Forgivable Grant. The remaining balance is expected to be drawn in 2014. Since the City anticipates that this debt will be forgiven, it is not included in the amortization schedules.

On September 11, 2013, the City issued a \$ 174,329 G.O. Water Revenue Note through the Minnesota Public Facilities Authority (PFA). At December 31, 2013, the City had only expended \$ 9,000 of this PFA Drinking Water Revolving Loan. The amortization schedule included on page 26 represents the entire note liability of \$ 174,329. The remaining balance is expected to be drawn in 2014.

On September 11, 2013, the City issued a \$ 470,625 G.O. Sewer Revenue Note through the Minnesota PFA. At December 31, 2013, the City had only expended \$ 146,273 of this PFA Clean Water Revolving Loan. The amortization schedule included on the following page represents the entire note liability of \$ 470,625. The remaining balance is expected to be drawn in 2014.

The following is a summary of bonds payable transactions of the City for the year ended 2013:

	Beginning Balance	Increases	Decreases	Ending Balance
G.O. Special Assessment Bonds	\$ 380,000	\$ 1,050,000	\$ (55,000)	\$ 1,375,000
G.O. Revenue Bonds	465,000	406,000	(465,000)	406,000
Stearns Electric Loan	144,000	-	(36,000)	108,000
USDA Rural Development Loan	388,268	-	(4,267)	384,001
Equipment Certificates	-	175,000	-	175,000
PFA Forgivable Grant	-	432,433	-	432,433
PFA G.O. Revenue Notes	2,054,000	155,273	(177,000)	2,032,273
Total Long-Term Liabilities	<u>\$ 3,431,268</u>	<u>\$ 2,218,706</u>	<u>\$ (737,267)</u>	<u>\$ 4,912,707</u>

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

NOTE 6 – LONG-TERM DEBT

B. Bonds, Certificates and Loans Payable

The annual requirements to amortize all long-term debt outstanding are as follows:

Year Ending December 31,	Special Assessment Bonds			Stearns Electric Loan	USDA Rural Development Loan		
	Principal	Interest	Total	Principal	Principal	Interest	Total
2014	\$ 55,000	\$ 36,659	\$ 91,659	\$ 36,000	\$ 4,459	\$ 17,281	\$ 21,740
2015	55,000	43,236	98,236	36,000	4,660	17,080	21,740
2016	100,000	40,506	140,506	36,000	4,870	16,870	21,740
2017	100,000	37,231	137,231	-	5,089	16,651	21,740
2018	100,000	34,040	134,040	-	5,318	16,422	21,740
2019-2023	260,000	144,705	404,705	-	30,402	78,298	108,700
2024-2028	260,000	110,280	370,280	-	37,887	70,813	108,700
2029-2033	305,000	59,500	364,500	-	47,214	61,486	108,700
2034-2038	140,000	5,600	145,600	-	58,837	49,863	108,700
2039-2043	-	-	-	-	73,323	35,377	108,700
2044-2048	-	-	-	-	91,373	17,327	108,700
2049	-	-	-	-	20,569	926	21,495
Total	<u>\$ 1,375,000</u>	<u>\$ 511,757</u>	<u>\$ 1,886,757</u>	<u>\$ 108,000</u>	<u>\$ 384,001</u>	<u>\$ 398,394</u>	<u>\$ 782,395</u>

Year Ended December 31,	Revenue Bonds			PFA Note		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 47,000	\$ 9,911	\$ 56,911	\$ 206,954	\$ 48,369	\$ 255,323
2015	47,000	9,334	56,334	216,000	47,759	263,759
2016	49,000	8,112	57,112	221,000	42,484	263,484
2017	50,000	6,838	56,838	227,000	37,074	264,074
2018	51,000	5,538	56,538	232,000	31,483	263,483
2019-2023	162,000	8,476	170,476	760,000	82,065	842,065
2024-2028	-	-	-	426,000	35,010	461,010
2029-2033	-	-	-	233,000	8,100	241,100
Total	<u>\$ 406,000</u>	<u>\$ 48,209</u>	<u>\$ 454,209</u>	<u>\$ 2,521,954</u>	<u>\$ 332,344</u>	<u>\$ 2,854,298</u>

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 6 – LONG-TERM DEBT

B. Bonds, Certificates and Loans Payable (Continued)

Year Ended December 31,	G.O. Equipment Certificate		
	Principal	Interest	Total
2014	\$ -	\$ 2,844	\$ 2,844
2015	15,000	5,444	20,444
2016	20,000	4,875	24,875
2017	20,000	4,225	24,225
2018	20,000	3,575	23,575
2019-2023	100,000	8,120	108,120
Total	<u>\$ 175,000</u>	<u>\$ 29,083</u>	<u>\$ 204,083</u>

The General Fund is responsible for the liquidation of the Stearns Electronic Loan, G.O. Equipment Certificate and the USDA Rural Development Loan, and the general government Debt Service Funds will pay for the outstanding principal and interest on the special assessment bonds. The Water and Sewer Funds are responsible for payment of their respective Public Facilities Authority (PFA) loans and the Senior Housing Fund is responsible for paying the revenue bond liability.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 7 – RECEIVABLES

A. Notes Receivable

Notes, loans and lease receivables at December 31, 2013 are as follows:

Valley Inn Promissory Note:

\$ 37,502 promissory note, due in monthly installments of \$ 530 through November 2015, interest at 5.0%	\$ 12,541
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Thielen Machine and Welding Promissory Note:

\$ 20,000 promissory note, due in monthly installments of \$ 212 through May 2015, interest at 5.0%	3,475
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Eden Lake Veterinary Services Promissory Note:

\$ 50,000 promissory note, due in monthly installments of \$ 530 through November 2013, with a balloon payment of \$ 28,103 due December 2013, interest at 5.0%	28,551
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Twice as Nice Promissory Note:

\$ 30,000 promissory note, due in monthly installments of \$ 318 through November 2013, with a balloon payment of \$ 16,861 due December 2013, interest at 5.0%	232
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Thielen Machine and Welding

\$ 15,000 promissory note, due in monthly installments of \$ 159 through March 2017, with a balloon payment of \$ 8,554 due April 2017, interest at 5.0%	<u>12,990</u>
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Total Notes Receivable	<u><u>\$ 57,789</u></u>
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B. Long-Term Receivable

Loans receivable at December 31, 2013, is due from the City of Watkins, Minnesota, for their share of PFA water system improvements. The receivable scheduled maturity is half of the underlying 1999 and 2000 PFA debt obligations listed in Note 6. The balance at December 31, 2013 was \$ 551,000, and \$ 67,500 was collected on the Receivable in 2013.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 8 – FUND BALANCE DETAIL

Fund equity balances are classified as follows on the chart below to reflect the limitations and restrictions of the respective funds.

	General	HWY 22 Project	TIF Districts	Hawks Athletic Field	Nonmajor Governmental Fund	Total
Restricted:						
Police Department	\$ -	\$ -	\$ -	\$ -	\$ 2,614	\$ 2,614
Housing Rehabilitation	-	-	-	-	13,114	13,114
Park Development	-	-	-	-	6,152	6,152
Debt Service	-	-	-	-	244,230	244,230
Committed:						
Economic Development	-	-	-	-	66,932	66,932
Valley Daze Celebration	-	-	-	-	198	198
Community Development	-	-	-	-	16,845	16,845
Capital Projects	-	1,375,168	-	-	47,393	1,422,561
Assigned:						
Street Equipment Escrow	9,000	-	-	-	-	9,000
Police Escrow	21,000	-	-	-	-	21,000
Park Equipment Escrow	3,000	-	-	-	-	3,000
Unassigned	523,185	-	(4,634)	(4,190)	(337)	514,024
Total	<u>\$556,185</u>	<u>\$ 1,375,168</u>	<u>\$ (4,634)</u>	<u>\$ (4,190)</u>	<u>\$ 397,141</u>	<u>\$2,319,670</u>

NOTE 9 – RISK MANAGEMENT

The City is exposed to various risk of loss related to torts: theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In order to protect against these risks of loss, the City purchases commercial insurance through the League of Minnesota Cities Insurance Trust (LMCIT), which is a public entity risk pool. This pool currently operates common risk management and insurance programs for municipal entities. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amounts of these deductibles are considered immaterial to the financial statements.

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience, workers' compensation rates and salaries are known for the year. The final premium adjustment was recorded in the year the adjustment was made.

During the year ended December 31, 2013, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the City's commercial coverage in any of the past three years.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

Public Employees' Retirement Association

A. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees' Retirement Fund (GERF) and the Public Employees' Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These Plans are established and administered in accordance with *Minnesota Statutes* Chapters 353 and 356.

GERF members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after five years of credited service. The defined retirement 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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For all GERF and PEPFF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the Fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active Plan participants. Vested, terminated employees, who are entitled to benefits but are not yet receiving them, are bound by the provisions in effect at the time they last terminated their public service.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS December 31, 2013

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

Public Employees' Retirement Association (Continued)

A. Plan Description (Continued)

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP and PEPFF. That report may be obtained on the Internet at 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 City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2013. PEPFF members were required to contribute 9.6% of their annual covered salary in 2013. In 2013, the City was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.25% for Coordinated Plan members and 14.4% for PEPFF members. The City's contributions to the Public Employees' Retirement Fund for the years ending December 31, 2013, 2012 and 2011 were \$ 12,236, \$ 15,174 and \$ 13,546, respectively. The City's contribution to the PEPFF for the years ended December 31, 2013, 2012 and 2011 were \$ 10,865, \$ 7,968 and \$ 7,157, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

C. Defined Contribution Plan – PERA

Four Council Members, the Mayor of the City and 21 volunteer rescue squad members are covered by the Public Employee's Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes* Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% of the assets in each member's account annually.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 10 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

Public Employees' Retirement Association (Continued)

C. Defined Contribution Plan – PERA (Continued)

Total contributions made by the City for elected officials during 2013 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 237	\$ 237	5.0%	5.0%	5.0%

Total contributions made by the City for the volunteer rescue squad during fiscal year 2013 were:

Contribution Amount		Percentage of Covered Payroll		Total Required Rate
Employee	Employer	Employee	Employer	
\$ 4,500	\$ 7,650	55.0%	93.5%	At least 7.5%

NOTE 11 – COMMITMENT

The City entered into a contract with Kuechle Underground, Inc., for the construction of underground water and sewer lines, and road reconstruction. The project was approved for \$ 3,078,484 and the remaining commitment on the contract is \$ 2,036,494.

NOTE 12 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

CITY OF EDEN VALLEY

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
RECEIPTS			
Taxes			
Property Taxes	\$ 383,500	\$ 390,893	\$ 7,393
Special Assessments	-	470	470
Licenses and Permits	7,850	8,875	1,025
Intergovernmental			
State Grants and Aids:			
Local Government Aid	228,099	228,099	-
Market Value Credit	-	343	343
Police and Fire Relief Aid	21,000	28,745	7,745
PERA Aid	703	703	-
Other Aids and Grants	-	2,400	2,400
Total Intergovernmental	<u>249,802</u>	<u>260,290</u>	<u>10,488</u>
Charges for Services			
General Government	8,100	9,583	1,483
Public Safety:			
Public Safety Fire Protection	<u>68,550</u>	<u>63,334</u>	<u>(5,216)</u>
Total Charges for Services	<u>76,650</u>	<u>72,917</u>	<u>(3,733)</u>
Fines and Forfeitures	1,650	1,514	(136)
Investment Earnings	3,000	3,071	71
Miscellaneous Revenue			
Refunds and Reimbursements	31,870	30,698	(1,172)
Donations and Contributions	3,000	475	(2,525)
Other	<u>5,050</u>	<u>9,755</u>	<u>4,705</u>
Total Miscellaneous Revenue	<u>39,920</u>	<u>40,928</u>	<u>1,008</u>
Total Receipts	<u>762,372</u>	<u>778,958</u>	<u>16,586</u>
DISBURSEMENTS			
General Government			
Mayor and Council:			
Current	15,975	11,898	(4,077)
Clerk/Treasurer:			
Current	104,330	97,172	(7,158)

CITY OF EDEN VALLEY

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
DISBURSEMENTS			
General Government (Continued)			
Elections:			
Current	\$ 100	\$ 2,969	\$ 2,869
Assessor:			
Current	5,500	5,794	294
Audit and Accounting:			
Current	10,600	10,310	(290)
Legal:			
Current	10,000	27,230	17,230
Planning and Zoning:			
Current	18,060	17,697	(363)
Other General Government:			
Current	72,645	61,340	(11,305)
Total General Government	<u>237,210</u>	<u>234,410</u>	<u>(2,800)</u>
Public Safety			
Police Protection:			
Current	138,435	154,072	15,637
Capital Outlay	7,000	10,574	3,574
Fire:			
Current	115,810	121,576	5,766
Animal Control:			
Current	390	778	388
Civil Defense:			
Current	2,775	2,680	(95)
Total Public Safety	<u>264,410</u>	<u>289,680</u>	<u>25,270</u>
Public Works			
Streets and General Maintenance:			
Current	116,505	98,986	(17,519)
Capital Outlay	9,000	-	(9,000)
Snow Removal:			
Current	23,535	36,636	13,101
Street Lighting:			
Current	30,885	31,454	569
Sanitation:			
Current	4,340	4,455	115
Total Public Works	<u>184,265</u>	<u>171,531</u>	<u>(12,734)</u>

CITY OF EDEN VALLEY

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL -**

GENERAL FUND

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
DISBURSEMENTS			
Culture and Recreation			
Parks:			
Current	\$ 39,070	\$ 27,710	\$ (11,360)
Capital Outlay	3,000	-	(3,000)
Total Culture and Recreation	<u>42,070</u>	<u>27,710</u>	<u>(14,360)</u>
Debt Service			
Certificate of Indebtedness Repayments:			
Loan Principal	45,700	45,695	(5)
Loan Interest	17,940	17,936	(4)
Total Debt Service	<u>63,640</u>	<u>63,631</u>	<u>(9)</u>
Total Disbursements	<u>791,595</u>	<u>786,962</u>	<u>(4,633)</u>
 Excess of Receipts Over (Under) Disbursements	 (29,223)	 (8,004)	 21,219
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Asset	-	1,485	1,485
Transfers In	10,000	39,538	29,538
Transfers Out	<u>(6,670)</u>	<u>(6,670)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,330</u>	<u>34,353</u>	<u>31,023</u>
 Net Change in Cash Fund Balances	 <u>\$ (25,893)</u>	 26,349	 <u>\$ 52,242</u>
CASH FUND BALANCES			
Beginning of Year		<u>529,836</u>	
End of Year		<u><u>\$ 556,185</u></u>	

CITY OF EDEN VALLEY

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL -
TIF DISTRICTS**

For the Year Ended December 31, 2013

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
RECEIPTS			
Taxes:			
Tax Increments	<u>\$ 12,200</u>	<u>\$ 21,632</u>	<u>\$ 9,432</u>
DISBURSEMENTS			
Economic Development:			
Current	<u> 12,635</u>	<u> 18,636</u>	<u> 6,001</u>
Receipts Over (Under) Disbursements	<u><u>\$ (435)</u></u>	<u> 2,996</u>	<u><u>\$ 3,431</u></u>
CASH FUND BALANCES			
Beginning of Year		<u> (7,630)</u>	
End of Year		<u><u>\$ (4,634)</u></u>	

CITY OF EDEN VALLEY

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL -
HAWKS ATHLETIC FIELD
For the Year Ended December 31, 2013**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
RECEIPTS			
Miscellaneous Revenues			
Donations and Contributions	<u>\$ 10,000</u>	<u>\$ 3,000</u>	<u>\$ (7,000)</u>
DISBURSEMENTS			
Culture and Recreation:			
Parks:			
Current	<u> 9,550</u>	<u> 6,220</u>	<u> (3,330)</u>
Receipts Over (Under) Disbursements	<u><u> \$ 450</u></u>	<u><u> (3,220)</u></u>	<u><u> \$ (3,670)</u></u>
CASH FUND BALANCES			
Beginning of Year		<u> (970)</u>	
End of Year		<u><u> \$ (4,190)</u></u>	

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CITY OF EDEN VALLEY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue		
	Police Forfeiture (210)	Business Incentives (220)	Housing Rehabilitation (225)
ASSETS			
Cash and Investments	<u>\$ 2,614</u>	<u>\$ 66,932</u>	<u>\$ 13,114</u>
LIABILITIES AND CASH FUND BALANCES			
Liabilities			
Due to Other Funds	\$ -	\$ -	\$ -
Cash Fund Balances			
Restricted	2,614	-	13,114
Committed	-	66,932	-
Unassigned	-	-	-
Total Cash Fund Balances	<u>2,614</u>	<u>66,932</u>	<u>13,114</u>
 Total Liabilities and Cash Fund Balances	<u>\$ 2,614</u>	<u>\$ 66,932</u>	<u>\$ 13,114</u>

Special Revenue				
Valley Daze Celebration (260)	Park Dedication (265)	Healthy Communities (230)	Lions Park (295)	Total
<u>\$ 198</u>	<u>\$ 6,152</u>	<u>\$ 16,845</u>	<u>\$ -</u>	<u>\$ 105,855</u>
\$ -	\$ -	\$ -	\$ 337	\$ 337
-	6,152	-	-	21,880
198	-	16,845	-	83,975
-	-	-	(337)	(337)
<u>198</u>	<u>6,152</u>	<u>16,845</u>	<u>(337)</u>	<u>105,518</u>
<u>\$ 198</u>	<u>\$ 6,152</u>	<u>\$ 16,845</u>	<u>\$ -</u>	<u>\$ 105,855</u>

CITY OF EDEN VALLEY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Debt Service				Capital Projects
	2003 Improvement Bonds (310)	2007 Improvement Bonds (330)	2012 MN HWY 22 Improvement (320)	Total	Capital Improvement (410)
ASSETS					
Cash and Investments	<u>\$ 116,035</u>	<u>\$ 55,686</u>	<u>\$ 72,509</u>	<u>\$ 244,230</u>	<u>\$ 1,472</u>
LIABILITIES AND CASH FUND BALANCES					
Liabilities					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Fund Balances					
Restricted	116,035	55,686	72,509	244,230	-
Committed	-	-	-	-	1,472
Unassigned	-	-	-	-	-
Total Cash Fund Balances	<u>116,035</u>	<u>55,686</u>	<u>72,509</u>	<u>244,230</u>	<u>1,472</u>
 Total Liabilities and Cash Fund Balances	<u>\$ 116,035</u>	<u>\$ 55,686</u>	<u>\$ 72,509</u>	<u>\$ 244,230</u>	<u>\$ 1,472</u>

Capital Projects		
Rescue Equipment (270 and 275)	Total	Total Governmental Funds
<u>\$ 45,921</u>	<u>\$ 47,393</u>	<u>\$ 397,478</u>
\$ -	\$ -	\$ 337
-	-	266,110
45,921	47,393	131,368
-	-	(337)
<u>45,921</u>	<u>47,393</u>	<u>397,141</u>
<u>\$ 45,921</u>	<u>\$ 47,393</u>	<u>\$ 397,478</u>

CITY OF EDEN VALLEY

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013**

	<u>Special Revenue</u>		
	Police Forfeiture (210)	Business Incentives (220)	Housing Rehabilitation (225)
RECEIPTS			
General Property Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Intergovernmental	-	-	-
Investment Earnings	-	12	27
Miscellaneous:			
Donations and Contributions	-	824	-
Refunds and Reimbursements	-	39,659	-
Other	-	1,542	-
Total Receipts	<u>-</u>	<u>42,037</u>	<u>27</u>
DISBURSEMENTS			
Current			
Public Safety	-	-	-
Culture and Recreation	-	-	-
Economic Development	-	6,556	60,213
Debt Service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay			
Public Safety	-	-	-
Economic Development	-	-	-
Total Disbursements	<u>-</u>	<u>6,556</u>	<u>60,213</u>
Excess of Receipts Over (Under) Disbursements	-	35,481	(60,186)
OTHER FINANCING SOURCES (USES)			
Bond Issuance	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Fund Balances	-	35,481	(60,186)
CASH FUND BALANCES			
Beginning of Year	<u>2,614</u>	<u>31,451</u>	<u>73,300</u>
End of Year	<u><u>\$ 2,614</u></u>	<u><u>\$ 66,932</u></u>	<u><u>\$ 13,114</u></u>

Special Revenue					Debt Service
Valley Daze Celebration (260)	Park Dedication (265)	Healthy Communities (230)	Lions Park (295)	Total	2003 Improvement Bonds (310)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,570
-	-	-	-	-	45,061
-	-	11,500	-	11,500	-
-	3	3	-	45	206
21,300	-	10,212	7,188	39,524	-
-	-	300	-	39,959	-
-	-	29,196	-	30,738	-
<u>21,300</u>	<u>3</u>	<u>51,211</u>	<u>7,188</u>	<u>121,766</u>	<u>49,837</u>
-	-	-	-	-	-
21,600	-	-	6,647	28,247	-
-	-	69,465	-	136,234	-
-	-	-	-	-	35,000
-	-	-	-	-	9,408
-	-	-	-	-	-
-	-	28,035	-	28,035	-
<u>21,600</u>	<u>-</u>	<u>97,500</u>	<u>6,647</u>	<u>192,516</u>	<u>44,408</u>
(300)	3	(46,289)	541	(70,750)	5,429
-	-	-	-	-	-
-	-	22,800	-	22,800	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>22,800</u>	<u>-</u>	<u>22,800</u>	<u>-</u>
(300)	3	(23,489)	541	(47,950)	5,429
498	6,149	40,334	(878)	153,468	110,606
<u>\$ 198</u>	<u>\$ 6,152</u>	<u>\$ 16,845</u>	<u>\$ (337)</u>	<u>\$ 105,518</u>	<u>\$ 116,035</u>

CITY OF EDEN VALLEY

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013**

	Debt Service		
	2007 Improvement Bonds (330)	2012 MN HWY 22 Improvement (320)	Total
RECEIPTS			
General Property Taxes	\$ 12,190	\$ 943	\$ 17,703
Special Assessments	10,801	13,562	69,424
Intergovernmental	-	-	-
Investment Earnings	15	7	228
Miscellaneous:			
Donations and Contributions	-	-	-
Refunds and Reimbursements	-	-	-
Other	-	-	-
Total Receipts	<u>23,006</u>	<u>14,512</u>	<u>87,355</u>
DISBURSEMENTS			
Current			
Public Safety	-	-	-
Culture and Recreation	-	-	-
Economic Development	-	-	-
Debt Service			
Principal	20,000	-	55,000
Interest and Other Charges	5,926	43,467	58,801
Capital Outlay			
Public Safety	-	-	-
Economic Development	-	-	-
Total Disbursements	<u>25,926</u>	<u>43,467</u>	<u>113,801</u>
Excess of Receipts Over (Under) Disbursements	(2,920)	(28,955)	(26,446)
OTHER FINANCING SOURCES (USES)			
Bond Issuance	-	84,543	84,543
Transfers In	9,500	-	9,500
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>9,500</u>	<u>84,543</u>	<u>94,043</u>
Net Change in Cash Fund Balances	6,580	55,588	67,597
CASH FUND BALANCES			
Beginning of Year	<u>49,106</u>	<u>16,921</u>	<u>176,633</u>
End of Year	<u>\$ 55,686</u>	<u>\$ 72,509</u>	<u>\$ 244,230</u>

Capital Projects			
Capital Improvement (410)	Fire and Rescue Equipment (270 and 275)	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 17,703
-	-	-	69,424
-	-	-	11,500
7	23	30	303
-	23,330	23,330	62,854
-	-	-	39,959
-	-	-	30,738
<u>7</u>	<u>23,353</u>	<u>23,360</u>	<u>232,481</u>
-	14,731	14,731	14,731
-	-	-	28,247
-	-	-	136,234
-	-	-	55,000
-	5,451	5,451	64,252
-	231,177	231,177	231,177
-	-	-	28,035
<u>-</u>	<u>251,359</u>	<u>251,359</u>	<u>557,676</u>
7	(228,006)	(227,999)	(325,195)
-	175,000	175,000	259,543
-	6,670	6,670	38,970
(22,800)	-	(22,800)	(22,800)
<u>(22,800)</u>	<u>181,670</u>	<u>158,870</u>	<u>275,713</u>
(22,793)	(46,336)	(69,129)	(49,482)
<u>24,265</u>	<u>92,257</u>	<u>116,522</u>	<u>446,623</u>
<u>\$ 1,472</u>	<u>\$ 45,921</u>	<u>\$ 47,393</u>	<u>\$ 397,141</u>

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SUPPLEMENTARY INFORMATION

CITY OF EDEN VALLEY

SCHEDULE OF ACCOUNTS RECEIVABLE

December 31, 2013

<u>Fund</u>	<u>Source of Revenue</u>	<u>Purpose</u>	<u>Amount</u>
2003 Improvement Bonds	Stearns County	January Tax Settlement	\$ 26
2003 Improvement Bonds	Meeker County	January Tax Settlement	34
2012 MN HWY 22 Improvement	Meeker County	January Tax Settlement	8
2007B Improvements Bonds	Meeker County	January Tax Settlement	764
2007B Improvements Bonds	Stearns County	January Tax Settlement	68
Business Incentives	CK Companies, Inc.	Loan Receivable	24,352
Business Incentives	Eden Valley Vet Clinic	Loan Receivable	530
Business Incentives	Eden Valley Properties	Loan Receivable	530
Capital Improvement	DiversiCom	Franchise Fees	4,120
General	Stearns County	January Tax Settlement	2,195
General	Meeker County	January Tax Settlement	3,117
Sewer	Meeker County	January Tax Settlement	797
Sewer	Various	Utility Billing	23,106
Senior Housing	Stearns County	January Tax Settlement	2,623
Water	City of Watkins	Water Sales	7,344
Water	Meeker County	January Tax Settlement	393
Water	Various	Utility Billing	35,323
Total			<u>\$ 105,330</u>

CITY OF EDEN VALLEY

**SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES
December 31, 2013**

<u>Fund</u>	<u>Vendor Name</u>	<u>Item and Purpose</u>	<u>Amount</u>
General Fund	A & C Farm Service	Supplies	\$ 503
General Fund	Ameripride	Uniform Rental	127
General Fund	Arvig	Phone Service	891
General Fund	Chief Law Enforcement	Supplies	31
General Fund	Central McGowan, Inc	Rental	6
General Fund	ComData	Supplies and Service	168
General Fund	EV Lumber Yard	Supplies	877
General Fund	Fleet Service	Squad Lease	558
General Fund	Jim Neuman's Repair	Supplies	5
General Fund	Keepers	Supplies	88
General Fund	Landscaping Plus	Service	450
General Fund	LMC	Safety Training	240
General Fund	LMCIT	W/C Ins. Audit	1,238
General Fund	Meeker County Sheriff	Reports	70
General Fund	Meeker County Auditor	Dispatch Fee	900
General Fund	Parkers Prairie Floral	Supplies	95
General Fund	MCSI	Supplies	154
General Fund	Bob Peschon	Service	200
General Fund	Resource Training & Solutions	Dues	87
General Fund	Rinke Noonan	Legal	4,117
General Fund	T-Mobile	Phone Service	113
General Fund	Thielen Excavating	Service	2,221
General Fund	Valley Dairy	Rental	185
General Fund	Valley Quick Stop	Gas	985
General Fund	VMG	Supplies	15
General Fund	Voss Plumbing and Heating	Services	75
General Fund	West Central Sanitation	Service	90
General Fund	CenterPoint Energy	Natural Gas	2,834
General Fund	Xcel Energy	Electric	2,569
General Fund	Meeker Cooperative	Electric	126
General Fund	Verizon	Phone Service	61
General Fund	City Utilities - Water/Sewer	City Utilities	236
General Fund	Heiman Fire Equipment	Fire Truck Supplies	190
Housing Rehab	Pettipiece & Associates	Admin	909

CITY OF EDEN VALLEY

**SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES
December 31, 2013**

<u>Fund</u>	<u>Vendor Name</u>	<u>Item and Purpose</u>	<u>Amount</u>
Business Incentives	Frauenshuh & Spooner	Legal	\$ 102
Hawks Athletic			
Field	Arvig	Phone Service	42
Hawks Athletic			
Field	CenterPoint Energy	Natural Gas	338
Hawks Athletic			
Field	Xcel Energy	Electric	66
Hawks Athletic			
Field	City Utilities - Water/Sewer	City Utilities	29
Lions Park	Arvig	Phone Service	41
Lions Park	Xcel Energy	Electric	729
Lions Park	City Utilities - Water/Sewer	City Utilities	28
HWY 22 Project	Bolton & Menk	Engineering	56,665
HWY 22 Project	Commissioner of Transportation	Testing and Inspection	658
HWY 22 Project	Braun Intertec	Service	10,772
Healthy Communities	MCSI	Supplies	12
Healthy Communities	Mr. Heating & AC	Service	1,193
Healthy Communities	Kathy DeForrest	Supplies	72
Healthy Communities	EV Lumber	Supplies	55
Healthy Communities	Tri-County News	Advertising	146
Healthy Communities	Paynesville Press	Advertising and Printing	160
Healthy Communities	VMG	Supplies	30
Senior Housing	Juanita Arens	Service	450
Senior Housing	Arvig	Phone Service	128
Senior Housing	Paynesville Press	Advertising	8
Senior Housing	City Utilities - Water/Sewer	City Utilities	616
Senior Housing	CenterPoint Energy	Natural Gas	1,335
Senior Housing	Xcel Energy	Electric	541
Senior Housing	Erkens Water	Supplies	54
Senior Housing	VMG	Supplies	26
Senior Housing	MCSI	Supplies	2
Senior Housing	West Central Sanitation	Service	86
Sewer	Arvig	Phone Service	122
Sewer	LMCIT	W/C Insurance audit	138
Sewer	Gopher State One-Call	Service	4
Sewer	Utility Consultants	Service	69
Sewer	Xcel Energy	Electric	320

CITY OF EDEN VALLEY

SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES

December 31, 2013

<u>Fund</u>	<u>Vendor Name</u>	<u>Item and Purpose</u>	<u>Amount</u>
Water	MN Revenue	Sale Tax and Use Tax	\$ 341
Water	Meeker Cooperative	Electric	618
Water	LMCIT	W/C Ins Audit	139
Water	City of Watkins	Salary	689
Water	Arvig	Phone Service	153
Water	Utility Consultants	Services	44
Water	MCSI	Supplies	6
Water	Gopher State One-Call	Service	3
Water	Xcel Energy	Electric	1,649
Water	VMG	Supplies	4
Water	CenterPoint Energy	Natural Gas	<u>676</u>
Total			<u><u>\$ 100,773</u></u>