

CITY OF EDEN VALLEY
Meeker and Stearns Counties, Minnesota
AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

CITY OF EDEN VALLEY

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CITY OF EDEN VALLEY

**ELECTED OFFICIALS AND ADMINISTRATION
December 31, 2014**

<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
Mark Kern	Council Member	December 31, 2016
<u>Administration</u>		
Mona Haag	City Clerk/Treasurer	Appointed



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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, 2014, 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, 2014.

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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2014, the changes in financial position, and, where applicable, cash flows thereof for the year then ended.

Unmodified 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, 2014, and the respective changes in cash balances and cash flows, where applicable, thereof for the year then ended in accordance 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, 2014, 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 26, 2015, 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 26, 2015

REGULATORY BASIS FINANCIAL STATEMENTS

CITY OF EDEN VALLEY

**STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS -
GOVERNMENTAL FUNDS**

December 31, 2014

		<u>Special Revenue</u>
	General Fund (100)	Business Incentives (220)
ASSETS		
Cash and Investments	\$ 529,366	\$ 116,804
Due from Other Funds	<u>88,245</u>	<u>-</u>
Total Assets	<u><u>\$ 617,611</u></u>	<u><u>\$ 116,804</u></u>
LIABILITIES AND CASH FUND BALANCES		
Liabilities		
Due to Other Funds	\$ -	\$ -
Cash Fund Balances		
Restricted	-	-
Committed	-	116,804
Assigned	45,000	-
Unassigned	<u>572,611</u>	<u>-</u>
Total Cash Fund Balances	<u>617,611</u>	<u>116,804</u>
Total Liabilities and Cash Fund Balances	<u><u>\$ 617,611</u></u>	<u><u>\$ 116,804</u></u>

<u>Capital Projects</u>	<u>Debt Service</u>		
HWY 22 Project (430)	2003 Improvement Bonds (310)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 167,312	\$ 248,542	\$ 1,062,024
-	-	-	88,245
<u>\$ -</u>	<u>\$ 167,312</u>	<u>\$ 248,542</u>	<u>\$ 1,150,269</u>
\$ 76,764	\$ -	\$ 11,481	\$ 88,245
-	167,312	181,614	348,926
-	-	66,928	183,732
-	-	-	45,000
<u>(76,764)</u>	<u>-</u>	<u>(11,481)</u>	<u>484,366</u>
<u>(76,764)</u>	<u>167,312</u>	<u>237,061</u>	<u>1,062,024</u>
<u>\$ -</u>	<u>\$ 167,312</u>	<u>\$ 248,542</u>	<u>\$ 1,150,269</u>

CITY OF EDEN VALLEY
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

		<u>Special Revenue</u>
	General Fund (100)	Business Incentives (220)
RECEIPTS		
General Property Taxes	\$ 384,937	\$ -
Tax Increments	-	-
Special Assessments	-	-
Licenses and Permits	10,908	-
Intergovernmental	308,586	-
Charges for Service	80,937	-
Fines and Forfeitures	1,255	-
Investment Earnings	1,822	(610)
Miscellaneous:		
Refunds and Reimbursements	35,115	52,165
Donations and Contributions	5,660	-
Other	11,523	-
Total Receipts	<u>840,743</u>	<u>51,555</u>
DISBURSEMENTS		
Current		
General Government	219,404	-
Public Safety	276,359	-
Public Works	168,462	-
Culture and Recreation	23,980	-
Economic Development	-	1,683
Debt Service		
Principal	45,972	-
Interest and Other Charges	17,659	-
Capital Outlay		
Public Works	-	-
Economic Development	-	-
Total Disbursements	<u>751,836</u>	<u>1,683</u>
Excess of Receipts Over (Under) Disbursements	88,907	49,872
OTHER FINANCING SOURCES (USES)		
Insurance Proceeds	4,189	-
Bond Issuance	-	-
Transfers In	-	-
Transfers Out	(31,670)	-
Total Other Financing Sources (Uses)	<u>(27,481)</u>	<u>-</u>
Net Change in Cash Fund Balances	61,426	49,872
CASH FUND BALANCES		
Beginning of Year	<u>556,185</u>	<u>66,932</u>
End of Year	<u>\$ 617,611</u>	<u>\$ 116,804</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>		
HWY 22 Project (430)	2003 Improvement Bonds (310)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,476	\$ 11,949	\$ 401,362
-	-	9,048	9,048
-	11,510	60,304	71,814
-	-	-	10,908
-	-	500	309,086
-	-	-	80,937
-	-	-	1,255
149	1,879	66	3,306
-	-	-	87,280
-	-	70,393	76,053
-	76,545	27,026	115,094
149	94,410	179,286	1,166,143
-	-	-	219,404
-	-	-	276,359
374,104	-	-	542,566
-	-	31,192	55,172
-	-	51,149	52,832
-	35,000	35,624	116,596
-	8,133	35,663	61,455
1,820,975	-	-	1,820,975
-	-	35,117	35,117
2,195,079	43,133	188,745	3,180,476
(2,194,930)	51,277	(9,459)	(2,014,333)
-	-	-	4,189
742,998	-	-	742,998
-	-	41,170	41,170
-	-	-	(31,670)
742,998	-	41,170	756,687
(1,451,932)	51,277	31,711	(1,257,646)
1,375,168	116,035	205,350	2,319,670
\$ (76,764)	\$ 167,312	\$ 237,061	\$ 1,062,024

CITY OF EDEN VALLEY

**STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS -
PROPRIETARY FUNDS**

December 31, 2014

	Enterprise Funds			Total
	Water (510)	Sewer (520)	Senior Housing (530)	
ASSETS				
Cash and Investments	<u>\$ 287,890</u>	<u>\$ 318,324</u>	<u>\$ 21,142</u>	<u>\$ 627,356</u>
NET CASH POSITION				
Unrestricted	<u>\$ 287,890</u>	<u>\$ 318,324</u>	<u>\$ 21,142</u>	<u>\$ 627,356</u>

CITY OF EDEN VALLEY

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN NET CASH POSITION - PROPRIETARY FUNDS
December 31, 2014**

	Enterprise Funds			
	Water (510)	Sewer (520)	Housing (530)	Total
OPERATING RECEIPTS				
Charges for Services	\$ 326,375	\$ 147,257	\$ 128,145	\$ 601,777
Connection Fees	3,692	-	-	3,692
Miscellaneous Operating Revenues	5,787	13,300	-	19,087
Total Operating Receipts	<u>335,854</u>	<u>160,557</u>	<u>128,145</u>	<u>624,556</u>
OPERATING DISBURSEMENTS				
Salaries and Benefits	56,331	41,873	5,810	104,014
Operating Supplies	11,392	1,829	1,757	14,978
Repairs and Maintenance	24,077	32,644	8,934	65,655
Professional Services	10,940	15,080	16,502	42,522
Utilities	21,547	10,598	15,422	47,567
Miscellaneous Expenses	13,897	5,386	5,038	24,321
Total Operating Disbursements	<u>138,184</u>	<u>107,410</u>	<u>53,463</u>	<u>299,057</u>
Excess of Operating Receipts Over Operating Disbursements	197,670	53,147	74,682	325,499
NONOPERATING RECEIPTS (DISBURSEMENTS)				
Investment Income	3,134	3,928	-	7,062
Refunds and Reimbursements	345	-	-	345
Other	730	9,319	3,588	13,637
Interest Expense	(34,804)	(11,655)	(9,911)	(56,370)
Capital Outlay	-	-	(2,935)	(2,935)
Total Nonoperating Receipts (Disbursements)	<u>(30,595)</u>	<u>1,592</u>	<u>(9,258)</u>	<u>(38,261)</u>
Net Income before Debt and Other Items	167,075	54,739	65,424	287,238
Debt Principal	(160,329)	(46,625)	(47,000)	(253,954)
Transfers Out	-	(9,500)	-	(9,500)
Change in Net Cash Position	6,746	(1,386)	18,424	23,784
NET CASH POSITION				
Beginning of Year	<u>281,144</u>	<u>319,710</u>	<u>2,718</u>	<u>603,572</u>
End of Year	<u>\$ 287,890</u>	<u>\$ 318,324</u>	<u>\$ 21,142</u>	<u>\$ 627,356</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, 2014**

	<u>Water (510)</u>	<u>Sewer (520)</u>	<u>Senior Housing</u>	<u>Total</u>
CASH FLOWS - OPERATING ACTIVITIES				
Receipts from Customers	\$ 250,190	\$ 160,557	\$ 128,145	\$ 538,892
Payments to Suppliers	(81,853)	(65,537)	(47,653)	(195,043)
Payments to Employees	(56,331)	(41,873)	(5,810)	(104,014)
Net Cash Flows - Operating Activities	<u>112,006</u>	<u>53,147</u>	<u>74,682</u>	<u>239,835</u>
CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous Revenue	1,075	9,319	3,588	13,982
Transfers to Other Funds	-	(9,500)	-	(9,500)
Net Cash Flows - Noncapital Financing Activities	<u>1,075</u>	<u>(181)</u>	<u>3,588</u>	<u>4,482</u>
CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES				
Loan Repayment Proceeds	69,500	-	-	69,500
Acquisition of Capital Assets	-	-	(2,935)	(2,935)
Principal Paid on Capital Debt	(160,329)	(46,625)	(47,000)	(253,954)
Interest Paid on Capital Debt	(18,640)	(11,655)	(9,911)	(40,206)
Net Cash Flows - Capital and Related Financing Activities	<u>(109,469)</u>	<u>(58,280)</u>	<u>(59,846)</u>	<u>(227,595)</u>
CASH FLOWS - INVESTING ACTIVITIES				
Interest and Dividends	<u>3,134</u>	<u>3,928</u>	<u>-</u>	<u>7,062</u>
Net Change in Cash and Cash Equivalents	6,746	(1,386)	18,424	23,784
CASH AND CASH EQUIVALENTS				
Beginning of Year	<u>281,144</u>	<u>319,710</u>	<u>2,718</u>	<u>603,572</u>
End of Year	<u><u>\$ 287,890</u></u>	<u><u>\$ 318,324</u></u>	<u><u>\$ 21,142</u></u>	<u><u>\$ 627,356</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contribution of Capital Assets from Governmental Activities	\$ 197,821	\$ 227,060	\$ -	\$ 424,881
Debt related to Contributed Capital Assets	(418,176)	(307,040)	-	(725,216)
Total Noncash Activities	<u><u>\$ (220,355)</u></u>	<u><u>\$ (79,980)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (300,335)</u></u>

CITY OF EDEN VALLEY

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2014

	<u>Liquor Trust</u>
ASSETS	
Current	
Cash and Investments	<u>\$ 224,144</u>
NET POSITION	
Held in Trust for Benefits and Other Purposes	<u>\$ 224,144</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2014

	<u>Liquor Trust</u>
ADDITIONS	
Investment Interest	<u>\$ 4,003</u>
Change in Net Position	4,003
NET POSITION	
Beginning of Year	<u>220,141</u>
End of Year	<u>\$ 224,144</u>

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CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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, 2014

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.

Business Incentives Special Revenue Fund – This fund accounts for all the activity relating to the business loan program. It is funded by loan repayments.

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

2003 Improvement Bonds Debt Service Fund – This fund accounts for the debt associated with the 2003 improvement project.

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. Further, the City applies unrestricted funds in this order if various levels of unrestricted fund balances exist: committed, assigned and unassigned.

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, 2014

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, 2014

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, 2014, the total liability for unused vacation pay was approximately \$ 16,938.

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, 2014

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 2014. Budgeted disbursement appropriations lapse at year-end.

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

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, 2014:

	<u>Appropriations</u>	<u>Disbursements</u>
Nonmajor Special Revenue Funds:		
Housing Rehabilitation	\$ -	\$ 274
Valley Daze Celebration	15,000	18,000
Lions Park	6,520	7,087

C. Fund Balance Deficits

The following Funds had deficit cash fund balances at December 31, 2014:

HWY 22 Project	\$ (76,764)
NonMajor Funds:	
TIF Districts	(4,651)
Healthy Communities	(111)
Hawks Athletic Field	(4,295)
Lions Park	(2,424)

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

As of December 31, 2014, 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, 2014, the City had deposits as follows:

Checking	\$ 131,357
Savings and Money Market	<u>2,451</u>
Total Deposits and Petty Cash	<u><u>\$ 133,808</u></u>

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS

B. Investments

As of December 31, 2014, 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	\$ 1,229,052	\$ 201,641	\$ 163,734	\$ 863,677	N/A
Brokered Money Market	1,982	1,982	-	-	AAA
4M Money Market	419,317	419,317	-	-	N/A
Total Pooled Investments:	1,650,351	622,940	163,734	863,677	
Capital Projects Non-Pooled:					
4M Money Market	129,065	129,065	-	-	N/A
Total	\$ 1,779,416	\$ 752,005	\$ 163,734	\$ 863,677	
	Maturity		Maximum Investments		
	1 Year or Less		42%		
	1-2 Years		9%		
	3-5 Years		49%		

Concentration of Credit Risk: The City was exposed to this risk as the following certificates of deposits exceeded 5% of total investments: GE Cap Finl Inc Retail, GE Capital Retail Bank, State Bank of India, Midfirst Bank, World Financial Network Bank, Amex Centurion, Goldman Sachs, Sallie Mae, Synchrony BK and Cit Salt Lake City.

C. Deposits and Investments

Cash and investments are classified in the December 31, 2014, regulatory basis financial statements as listed below and on the following page:

Petty Cash	\$ 300
Total Deposits	133,808
Total Investments	<u>1,779,416</u>
Total Deposits and Petty Cash	<u><u>\$ 1,913,524</u></u>

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS

C. Deposits and Investments (Continued)

Statement of Balances Arising from Cash Transactions - Governmental Funds:	
Cash and Investments	\$ 1,062,024
Statement of Balances Arising from Cash Transactions - Proprietary Funds:	
Cash and Investments	627,356
Statement of Fiduciary Net Position:	
Cash and Investments	<u>224,144</u>
Total Cash and Investments	<u><u>\$ 1,913,524</u></u>

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

A. Interfund Assets/Liabilities

At December 31, 2014, 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 Funds</u>
General Fund	\$ 88,245	\$ -
HWY 22 Project	-	76,764
Other Governmental Funds:		
Hawks Athletic Field	-	4,295
Healthy Communities	-	111
TIF Districts	-	4,651
Lions Park	-	2,424
	<u>-</u>	<u>2,424</u>
Total	<u><u>\$ 88,245</u></u>	<u><u>\$ 88,245</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, 2014

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

B. Interfund Transfers

For the year ended December 31, 2014, interfund transfers were included in the following Funds:

	<u>Transfers In</u> Nonmajor Governmental Funds
Transfers Out:	
General Fund	\$ 31,670
Sewer Fund	<u>9,500</u>
 Total	 <u><u>\$ 41,170</u></u>

The purpose of the transfers was for debt service payments, reimbursement for project costs, 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 \$ 18,000. 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, 2014

NOTE 6 – LONG-TERM DEBT

A. Bonds Payable

	<u>Issue Year</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>	<u>Due Within One Year</u>
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	\$ 175,000	\$ 35,000
G.O. Improvement Bonds of 2007	2007	4.3%	215,000	2018	95,000	20,000
G.O. Improvement Bonds of 2013B	2013	1.40% - 4.00%	1,050,000	2035	<u>1,050,000</u>	<u>-</u>
Total G.O. Bonds, Including Refunding Bonds					1,320,000	55,000
Stearns Electric Loan	2007	0.00%	360,000	2016	72,000	36,000
USDA Rural Development Loan	2009	4.50%	400,000	2049	<u>379,542</u>	<u>4,660</u>
Total Loans					451,542	40,660
G.O. Equipment Certificate	2013	3.25%	175,000	2023	<u>160,000</u>	<u>20,000</u>
Total Governmental Activities Liabilities					<u>1,931,542</u>	<u>115,660</u>
Enterprise Funds:						
G.O. Housing Development Revenue Refunding Bonds 2013C	2013	2.60%	406,000	2021	359,000	47,000
PFA G.O. Water Revenue Note/DWRF Loan	1999	3.16%	1,881,057	2020	700,000	108,000
PFA G.O. Water Revenue Note/DWRF Loan	2000	2.32%	644,890	2021	263,000	35,000
PFA G.O. Water Revenue Note/DWRF Loan	2009	1.00%	286,461	2029	221,000	14,000
PFA G.O. Sewer Revenue Note/CWRF Loan	2009	1.74%	660,457	2029	510,000	30,000
PFA Drinking Water Forgivable Grant	2013	0.00%	697,316	2033	697,316	-
PFA G.O. Water Revenue Note/DWRF Loan	2013	1.00%	174,329	2033	166,507	8,000
PFA G.O. Sewer Revenue Note/CWRF Loan	2013	1.46%	470,625	2033	<u>442,927</u>	<u>21,000</u>
Total Enterprise Fund Bonds					<u>3,359,750</u>	<u>263,000</u>
Total all Long-Term Liabilities					<u>\$ 5,291,292</u>	<u>\$ 378,660</u>

CITY OF EDEN VALLEY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 6 – LONG-TERM DEBT

A. Bonds Payable (Continued)

On September 11, 2013, the City received 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, 2014, the City had expended the full grant. 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, 2014, the City had only expended \$ 173,836 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 2015.

On September 11, 2013, the City issued a \$ 470,625 G.O. Sewer Revenue Note through the Minnesota PFA. At December 31, 2014, the City had only expended \$ 459,552 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 2015.

The following is a summary of bonds payable transactions of the City for the year ended 2014:

	Beginning Balance	Increases	Decreases	Ending Balance
G.O. Special Assessment Bonds	\$ 1,375,000	\$ -	\$ (55,000)	\$ 1,320,000
G.O. Revenue Bonds	406,000	-	(47,000)	359,000
Stearns Electric Loan	108,000	-	(36,000)	72,000
USDA Rural Development Loan	384,001	-	(4,459)	379,542
Equipment Certificates	175,000	-	(15,000)	160,000
PFA Forgivable Grant	432,433	264,883	-	697,316
PFA G.O. Revenue Notes/Loans	2,032,273	478,115	(206,954)	2,303,434
Total Long-Term Liabilities	<u>\$ 4,912,707</u>	<u>\$ 742,998</u>	<u>\$ (364,413)</u>	<u>\$ 5,291,292</u>

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS December 31, 2014

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
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	80,000	31,404	111,404	-	5,557	16,183	21,740
2020-2024	230,000	138,620	368,620	-	31,770	76,930	108,700
2025-2029	265,000	101,660	366,660	-	39,592	69,108	108,700
2030-2034	320,000	47,000	367,000	-	49,339	59,361	108,700
2035-2039	70,000	1,400	71,400	-	61,485	47,215	108,700
2040-2044	-	-	-	-	76,622	32,078	108,700
2045-2049	-	-	-	-	95,240	13,215	108,455
Total	<u>\$ 1,320,000</u>	<u>\$ 475,097</u>	<u>\$ 1,795,097</u>	<u>\$ 72,000</u>	<u>\$ 379,542</u>	<u>\$ 381,113</u>	<u>\$ 760,655</u>

Year Ended December 31,	Revenue Bonds			PFA Note		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 47,000	\$ 9,334	\$ 56,334	\$ 216,000	\$ 47,548	\$ 263,548
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	53,000	4,212	57,212	236,000	25,771	261,771
2020-2024	109,000	4,264	113,264	607,000	65,753	672,753
2025-2029	-	-	-	432,000	28,775	460,775
2030-2033	-	-	-	144,000	4,876	148,876
Total	<u>\$ 359,000</u>	<u>\$ 38,298</u>	<u>\$ 397,298</u>	<u>\$ 2,315,000</u>	<u>\$ 283,764</u>	<u>\$ 2,598,764</u>

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE 6 – LONG-TERM DEBT

B. Bonds, Certificates and Loans Payable (Continued)

Year Ended December 31,	G.O. Equipment Certificate		
	Principal	Interest	Total
2015	\$ 20,000	\$ 5,200	\$ 25,200
2016	20,000	4,550	24,550
2017	20,000	3,900	23,900
2018	20,000	3,250	23,250
2019	20,000	2,600	22,600
2020-2022	60,000	3,900	63,900
Total	<u>\$ 160,000</u>	<u>\$ 23,400</u>	<u>\$ 183,400</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, 2014

NOTE 7 – RECEIVABLES

A. Notes Receivable

Notes, loans and lease receivables at December 31, 2014 are as follows:

Valley Inn Promissory Note:

\$ 37,502 promissory note, due in monthly installments of \$ 530 through November 2015, interest at 5%	\$ 6,168
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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%	1,048
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Eden Lake Veterinary Services Promissory Note:

\$ 50,000 promissory note, due in monthly installments of \$ 530 through November 2018, with a final payment of \$ 556 payment December 2018, interest at 5%	23,066
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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%	11,701
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CK Companies Inc. Promissory Note:

\$ 15,000 promissory note	<u>6,097</u>
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Total Notes Receivable	<u><u>\$ 48,080</u></u>
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B. Long-Term Receivable

Loans receivable at December 31, 2014, 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, 2014 was \$ 481,500, and \$ 69,500 was collected on the Receivable in 2014.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

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	Business Incentives	HWY 22 Project	2003 Improvement Bonds	Nonmajor Governmental Fund	Total
Restricted:						
Police Department	\$ -	\$ -	\$ -	\$ -	\$ 2,614	\$ 2,614
Housing Rehabilitation	-	-	-	-	12,844	12,844
Park Development	-	-	-	-	6,155	6,155
Debt Service	-	-	-	167,312	160,001	327,313
Committed:						
Economic Development	-	116,804	-	-	-	116,804
Valley Daze Celebration	-	-	-	-	198	198
Capital Projects	-	-	-	-	66,730	66,730
Assigned:						
Street Equipment Escrow	18,000	-	-	-	-	18,000
Police Escrow	21,000	-	-	-	-	21,000
Park Equipment Escrow	6,000	-	-	-	-	6,000
Unassigned	572,611	-	(76,764)	-	(11,481)	484,366
Total	<u>\$ 617,611</u>	<u>\$ 116,804</u>	<u>\$ (76,764)</u>	<u>\$ 167,312</u>	<u>\$ 237,061</u>	<u>\$ 1,062,024</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, 2014, 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, 2014

NOTE 10 – PENSION PLANS

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.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS December 31, 2014

NOTE 10 – PENSION PLANS

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 GERF 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. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. In 2014, 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 15.3% for PEPFF members. The City's contributions to the Public Employees' Retirement Fund for the years ending December 31, 2014, 2013 and 2012 were \$ 12,122, \$ 12,236 and \$ 15,174, respectively. The City's contribution to the PEPFF for the years ended December 31, 2014, 2013 and 2012 were \$ 12,543, \$ 10,865 and \$ 7,968, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers) and the PEPFF (10.8% for members and 16.2% for employers).

Defined Contribution Plan – PERA

Four Council Members, the Mayor of the City and 19 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, 2014

NOTE 10 – PENSION PLANS

Defined Contribution Plan – PERA (Continued)

Total contributions made by the City for elected officials during 2014 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 253	\$ 253	5.0%	5.0%	5.0%

Total contributions made by the City for the volunteer rescue squad during fiscal year 2014 were:

Contribution Amount		Percentage of Covered Payroll		Total Required Rate
Employee	Employer	Employee	Employer	
\$ 4,362	\$ 6,750	56.4%	87.3%	At least 7.5%

Defined Benefit Pension Plan – Volunteer Fire Fighter’s Relief Association

A. Plan Description

The Eden Valley Firefighter’s Fire Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Eden Valley Fire Department.

Volunteer firefighters of the City are members of the Eden Valley Fire Fighter’s Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 10 years of service for lump sum service pension. Partial benefits are payable to members who have reached 50 and have completed 10 years of service. Disability benefits and widow and children’s survivor benefits are also payable to members of their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Eden Valley Fire Relief Association, 171 Cossairt Avenue West, Eden Valley, MN 55329 or by calling 320-452-5251.

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 10 – PENSION PLANS

Defined Benefit Pension Plan – Volunteer Fire Fighter’s Relief Association (Continued)

A. Funding Policy

Minnesota Statutes Chapter 69.772 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aid are determined as the amount required to meet the normal cost plus amortizing any existing prior services costs over a ten year period. The City’s obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$ 22,354 made by the State of Minnesota for the Relief Association.

Minnesota Statutes Chapter 69.772 specifies minimum support rates required on an annual basis.

Schedules I and II, prepared by the Association and certified to the City Council by August 1 of each year, determine the municipal contribution for the following calendar year. Plan members, the volunteer firefighters, do not contribute to the plan. The state contributes to the plan in the form of state fire aid. Schedules I and II follow enabling state statutes for fire relief associations. Municipalities are required by state statutes to contribute the amount certified on Schedules I and II. The City’s annual contribution for the current year and related information follows:

Date Certified to City Council: August 1, 2013

Statutory Assumptions:

Investment Rate of Return	5.00%
Administrative Expenses Increase	3.50%
State Aid Contribution	100.00%
Amortization of Surplus (Defecit)	10.00%

C. Three Year Trend Information

Year Ended December 31,	Actual Contribution			Required Contribution	Percentage Contributed
	City	State	Total		
2013	\$ 3,500	\$ 20,507	\$ 24,007	\$ -	100%
2012	3,500	14,210	17,710	-	100%
2011	3,500	13,883	17,383	-	100%

CITY OF EDEN VALLEY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE 10 – PENSION PLANS

Defined Benefit Pension Plan – Volunteer Fire Fighter’s Relief Association (Continued)

D. Required Supplementary Information

Valuation Date	Statutory Value of Assets	Statutory Accrued Liability (SAL)	Unfunded (Overfunded) SAL	Funded Ratio
12/31/13	\$ 510,316	\$ 408,600	\$ (101,716)	124.9%
12/31/12	473,742	428,141	(45,601)	110.7%
12/31/11	431,211	413,748	(17,463)	104.2%

The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations).

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 \$ 3,086,890 and the remaining commitment on the contract is \$ 119,646.

NOTE 12 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

A. Required Supplementary Information

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.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning new pension liability. The provisions of this Statement should be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014.

**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, 2014

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
RECEIPTS			
Taxes			
Property Taxes	\$ 383,500	\$ 384,937	\$ 1,437
Licenses and Permits	10,350	10,908	558
Intergovernmental			
State Grants and Aids:			
Local Government Aid	276,647	276,647	-
Market Value Credit	-	366	366
Police and Fire Relief Aid	21,000	29,970	8,970
PERA Aid	703	703	-
Other Aids and Grants	-	900	900
Total Intergovernmental	<u>298,350</u>	<u>308,586</u>	<u>10,236</u>
Charges for Services			
General Government	9,200	10,378	1,178
Public Safety:			
Public Safety Fire Protection	<u>68,550</u>	<u>70,559</u>	<u>2,009</u>
Total Charges for Services	<u>77,750</u>	<u>80,937</u>	<u>3,187</u>
Fines and Forfeitures	1,650	1,255	(395)
Investment Earnings	4,000	1,822	(2,178)
Miscellaneous Revenue			
Refunds and Reimbursements	31,870	35,115	3,245
Donations and Contributions	3,000	5,660	2,660
Other	<u>5,050</u>	<u>11,523</u>	<u>6,473</u>
Total Miscellaneous Revenue	<u>39,920</u>	<u>52,298</u>	<u>12,378</u>
Total Receipts	<u>815,520</u>	<u>840,743</u>	<u>25,223</u>
DISBURSEMENTS			
General Government			
Mayor and Council:			
Current	13,675	10,395	(3,280)
Clerk/Treasurer:			
Current	92,705	80,751	(11,954)

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, 2014

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
DISBURSEMENTS			
General Government (Continued)			
Elections:			
Current	\$ 6,560	\$ 7,423	\$ 863
Assessor:			
Current	6,200	5,923	(277)
Audit and Accounting:			
Current	11,300	10,310	(990)
Legal:			
Current	10,000	19,548	9,548
Planning and Zoning:			
Current	8,450	14,749	6,299
Other General Government:			
Current	<u>72,495</u>	<u>70,305</u>	<u>(2,190)</u>
Total General Government	221,385	219,404	(1,981)
Public Safety			
Police Protection:			
Current	149,935	148,144	(1,791)
Fire:			
Current	126,110	124,717	(1,393)
Animal Control:			
Current	1,250	-	(1,250)
Civil Defense:			
Current	<u>2,775</u>	<u>3,498</u>	<u>723</u>
Total Public Safety	280,070	276,359	(3,711)
Public Works			
Streets and General Maintenance:			
Current	125,610	89,771	(35,839)
Capital Outlay	9,000	-	(9,000)
Snow Removal:			
Current	29,285	44,241	14,956
Street Lighting:			
Current	30,885	30,425	(460)
Sanitation:			
Current	<u>5,680</u>	<u>4,025</u>	<u>(1,655)</u>
Total Public Works	200,460	168,462	(31,998)

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, 2014

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
DISBURSEMENTS			
Culture and Recreation			
Parks:			
Current	\$ 40,430	\$ 23,980	\$ (16,450)
Capital Outlay	3,000	-	(3,000)
Total Culture and Recreation	<u>43,430</u>	<u>23,980</u>	<u>(19,450)</u>
Debt Service			
Certificate of Indebtedness Repayments:			
Loan Principal	45,974	45,972	(2)
Loan Interest	<u>17,661</u>	<u>17,659</u>	<u>(2)</u>
Total Debt Service	<u>63,635</u>	<u>63,631</u>	<u>(4)</u>
Total Disbursements	<u>808,980</u>	<u>751,836</u>	<u>(57,144)</u>
Excess of Receipts Over Disbursements	6,540	88,907	82,367
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	4,189	4,189
Transfers In	10,000	-	(10,000)
Transfers Out	<u>(31,670)</u>	<u>(31,670)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(21,670)</u>	<u>(27,481)</u>	<u>(5,811)</u>
Net Change in Cash Fund Balances	<u>\$ (15,130)</u>	61,426	<u>\$ 76,556</u>
CASH FUND BALANCES			
Beginning of Year		<u>556,185</u>	
End of Year		<u>\$ 617,611</u>	

CITY OF EDEN VALLEY
Meeker and Stearns County, Minnesota

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH FUND BALANCES - BUDGET AND ACTUAL -
BUSINESS INCENTIVES
For the Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
RECEIPTS			
Investment Earnings	\$ -	\$ (610)	\$ (610)
Miscellaneous Revenues			
Refunds and Reimbursements	<u>15,670</u>	<u>52,165</u>	<u>36,495</u>
Total Receipts	<u>15,670</u>	<u>51,555</u>	<u>35,885</u>
DISBURSEMENTS			
Economic Development			
Current	<u>30,870</u>	<u>1,683</u>	<u>(29,187)</u>
Receipts Over (Under)			
Disbursements	<u><u>\$ (15,200)</u></u>	49,872	<u><u>\$ 65,072</u></u>
CASH FUND BALANCES			
Beginning of Year		<u>66,932</u>	
End of Year		<u><u>\$ 116,804</u></u>	

CITY OF EDEN VALLEY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Special Revenue		
	Police Forfeiture (210)	Housing Rehabilitation (225)	TIF Districts (240, 245, 250 and 280)
ASSETS			
Cash and Investments	<u>\$ 2,614</u>	<u>\$ 12,844</u>	<u>\$ -</u>
LIABILITIES AND CASH FUND BALANCES			
Liabilities			
Due to Other Funds	\$ -	\$ -	\$ 4,651
Cash Fund Balances			
Restricted	2,614	12,844	-
Committed	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(4,651)</u>
Total Cash Fund Balances	<u>2,614</u>	<u>12,844</u>	<u>(4,651)</u>
 Total Liabilities and Cash Fund Balances	<u>\$ 2,614</u>	<u>\$ 12,844</u>	<u>\$ -</u>

Special Revenue

Valley Daze Celebration (260)	Park Dedication (265)	Healthy Communities (230)	Hawks Athletic Field (290)	Lions Park (295)	Total
<u>\$ 198</u>	<u>\$ 6,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,811</u>
\$ -	\$ -	\$ 111	\$ 4,295	\$ 2,424	\$ 11,481
-	6,155	-	-	-	21,613
198	-	-	-	-	198
-	-	(111)	(4,295)	(2,424)	(11,481)
<u>198</u>	<u>6,155</u>	<u>(111)</u>	<u>(4,295)</u>	<u>(2,424)</u>	<u>10,330</u>
<u>\$ 198</u>	<u>\$ 6,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,811</u>

CITY OF EDEN VALLEY

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014**

	Debt Service		
	2007	2012 MN	
	Improvement	HWY 22	
	Bonds (330)	Improvement	Total
	(320)		
ASSETS			
Cash and Investments	\$ 56,782	\$ 103,219	\$ 160,001
LIABILITIES AND CASH FUND BALANCES			
Liabilities			
Due to Other Funds	\$ -	\$ -	\$ -
Cash Fund Balances			
Restricted	56,782	103,219	160,001
Committed	-	-	-
Unassigned	-	-	-
Total Cash Fund Balances	56,782	103,219	160,001
Total Liabilities and Cash Fund Balances	\$ 56,782	\$ 103,219	\$ 160,001

Capital Projects			
Capital Improvement (410)	Fire and Rescue Equipment (270 and 275)	Total	Total Governmental Funds
<u>\$ 1,472</u>	<u>\$ 65,258</u>	<u>\$ 66,730</u>	<u>\$ 248,542</u>
\$ -	\$ -	\$ -	\$ 11,481
-	-	-	181,614
1,472	65,258	66,730	66,928
-	-	-	(11,481)
<u>1,472</u>	<u>65,258</u>	<u>66,730</u>	<u>237,061</u>
<u>\$ 1,472</u>	<u>\$ 65,258</u>	<u>\$ 66,730</u>	<u>\$ 248,542</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, 2014**

	Special Revenue		
	Police Forfeiture (210)	Housing Rehabilitation (225)	TIF Districts (240, 245, 250 and 280)
RECEIPTS			
General Property Taxes	\$ -	\$ -	\$ -
Tax Increments	-	-	9,048
Special Assessments	-	-	-
Intergovernmental	-	-	-
Investment Earnings	-	4	-
Miscellaneous:			
Donations and Contributions	-	-	-
Other	-	-	-
Total Receipts	<u>-</u>	<u>4</u>	<u>9,048</u>
DISBURSEMENTS			
Current			
Culture and Recreation	-	-	-
Economic Development	-	274	8,441
Debt Service			
Principal	-	-	624
Interest and Other Charges	-	-	-
Capital Outlay			
Economic Development	-	-	-
Total Disbursements	<u>-</u>	<u>274</u>	<u>9,065</u>
Excess of Receipts Over (Under) Disbursements	-	(270)	(17)
OTHER FINANCING SOURCES			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Fund Balances	-	(270)	(17)
CASH FUND BALANCES			
Beginning of Year	<u>2,614</u>	<u>13,114</u>	<u>(4,634)</u>
End of Year	<u><u>\$ 2,614</u></u>	<u><u>\$ 12,844</u></u>	<u><u>\$ (4,651)</u></u>

Special Revenue					
Valley Daze Celebration (260)	Park Dedication (265)	Healthy Communities (230)	Hawks Athletic Field (290)	Lions Park (295)	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	9,048
-	-	-	-	-	-
-	-	500	-	-	500
-	3	6	-	-	13
18,000	-	8,063	6,000	5,000	37,063
-	-	27,026	-	-	27,026
<u>18,000</u>	<u>3</u>	<u>35,595</u>	<u>6,000</u>	<u>5,000</u>	<u>73,650</u>
18,000	-	-	6,105	7,087	31,192
-	-	42,434	-	-	51,149
-	-	-	-	-	624
-	-	-	-	-	-
-	-	35,117	-	-	35,117
<u>18,000</u>	<u>-</u>	<u>77,551</u>	<u>6,105</u>	<u>7,087</u>	<u>118,082</u>
-	3	(41,956)	(105)	(2,087)	(44,432)
-	-	25,000	-	-	25,000
-	3	(16,956)	(105)	(2,087)	(19,432)
<u>198</u>	<u>6,152</u>	<u>16,845</u>	<u>(4,190)</u>	<u>(337)</u>	<u>29,762</u>
<u>\$ 198</u>	<u>\$ 6,155</u>	<u>\$ (111)</u>	<u>\$ (4,295)</u>	<u>\$ (2,424)</u>	<u>\$ 10,330</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, 2014**

	2007	Debt Service 2012 MN HWY 22 Improvement	
	Improvement Bonds (330)	(320)	Total
RECEIPTS			
General Property Taxes	\$ 11,928	\$ 21	\$ 11,949
Tax Increments	-	-	-
Special Assessments	4,715	55,589	60,304
Intergovernmental	-	-	-
Investment Earnings	18	10	28
Miscellaneous:			
Donations and Contributions	-	-	-
Other	-	-	-
Total Receipts	<u>16,661</u>	<u>55,620</u>	<u>72,281</u>
DISBURSEMENTS			
Current			
Culture and Recreation	-	-	-
Economic Development	-	-	-
Debt Service			
Principal	20,000	-	20,000
Interest and Other Charges	5,065	24,910	29,975
Capital Outlay			
Economic Development	-	-	-
Total Disbursements	<u>25,065</u>	<u>24,910</u>	<u>49,975</u>
Excess of Receipts Over (Under) Disbursements	(8,404)	30,710	22,306
OTHER FINANCING SOURCES			
Transfers In	<u>9,500</u>	-	<u>9,500</u>
Net Change in Cash Fund Balances	1,096	30,710	31,806
CASH FUND BALANCES			
Beginning of Year	<u>55,686</u>	<u>72,509</u>	<u>128,195</u>
End of Year	<u>\$ 56,782</u>	<u>\$ 103,219</u>	<u>\$ 160,001</u>

Capital Improvement (410)	Capital Projects		Total Nonmajor Governmental Funds
	Fire and Rescue Equipment (270 and 275)	Total	
\$ -	\$ -	\$ -	\$ 11,949
-	-	-	9,048
-	-	-	60,304
-	-	-	500
-	25	25	66
-	33,330	33,330	70,393
-	-	-	27,026
-	33,355	33,355	179,286
-	-	-	31,192
-	-	-	51,149
-	15,000	15,000	35,624
-	5,688	5,688	35,663
-	-	-	35,117
-	20,688	20,688	188,745
-	12,667	12,667	(9,459)
-	6,670	6,670	41,170
-	19,337	19,337	31,711
1,472	45,921	47,393	205,350
<u>\$ 1,472</u>	<u>\$ 65,258</u>	<u>\$ 66,730</u>	<u>\$ 237,061</u>

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SUPPLEMENTARY INFORMATION

CITY OF EDEN VALLEY

**SCHEDULE OF ACCOUNTS RECEIVABLE
December 31, 2014**

<u>Fund</u>	<u>Source of Revenue</u>	<u>Purpose</u>	<u>Amount</u>
2003 Improvement Bonds	Stearns County	January Tax Settlement	\$ 19
2003 Improvement Bonds	Meeker County	January Tax Settlement	56
2012 MN HWY 22 Improvement	Meeker County	January Tax Settlement	10
2007B Improvements Bonds	Meeker County	January Tax Settlement	790
2007B Improvements Bonds	Stearns County	January Tax Settlement	52
Capital Improvement	DiversiCom	Franchise Fees	4,019
General	Court Fines	Fees	510
General	Furnace Rebate	Account Receivable	300
General	ACA Reinsurance Fee	Account Receivable	957
General	Stearns County	January Tax Settlement	1,653
General	Meeker County	January Tax Settlement	5,615
Sewer	Meeker County	January Tax Settlement	1,127
Sewer	Various	Utility Billing	30,209
Sewer	Stearns County	January Tax Settlement	16
Senior Housing	Stearns County	January Tax Settlement	2,907
Water	City of Watkins	Water Sales	8,330
Water	Stearns County	January Tax Settlement	31
Water	Meeker County	January Tax Settlement	1,789
Water	Various	Utility Billing	42,709
Total			<u><u>\$ 101,099</u></u>

CITY OF EDEN VALLEY

**SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES
December 31, 2014**

<u>Fund</u>	<u>Vendor Name</u>	<u>Item and Purpose</u>	<u>Amount</u>
General Fund	Ameripride	Uniform Rental	\$ 166
General Fund	Arvig	Phone Service	898
General Fund	Barry's Western Tree Service	Service	895
General Fund	Lisa Burlage	Service	300
General Fund	Car Quest	Supplies	6
General Fund	Center Point Energy	Natural Gas	1,503
General Fund	Centra Care Health	Service	316
General Fund	Central McGowan, Inc	Rental	6
General Fund	EV Lumber	Supplies	225
General Fund	Fleet Services	Squad Lease	558
General Fund	IWI Lighting	Supplies	524
General Fund	Jack's Oil Distributing	Gas & Supplies	882
General Fund	Landscaping Plus	Service	180
General Fund	LMCIT	Work Comp Ins Audit	82
General Fund	Meeker Cooperative	Electric	118
General Fund	Meeker County Auditor	Dispatch Fee	900
General Fund	Meeker County Sheriff	Reports	23
General Fund	Meeker Court Services	Service	50
General Fund	MCSI	Supplies	67
General Fund	Paynesville Press	Advertising & Printing	45
General Fund	Bob Peschon	Service	200
General Fund	Rinke Noonan	Legal	90
General Fund	Ron's Soft Water	Supplies	9
General Fund	T-Mobile	Phone	86
General Fund	Thielen Excavating	Service	470
General Fund	Thunder Valley	Repairs	120
General Fund	US Dept HHSCMS	ACA Reinsurance	567
General Fund	Verizon	Phone/Internet Service	799
General Fund	VMG	Supplies	19
General Fund	Voss Plumbing and Heating	Service	75
General Fund	Xcel Energy	Electric	1,428
General Fund	City Utilities - Water/Sewer	City Utilities	381
Healthy Communities	Divine Cakes	Supplies	209
Healthy Communities	EV Lumber	Supplies	27

CITY OF EDEN VALLEY

SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES December 31, 2014

Fund	Vendor Name	Item and Purpose	Amount
Healthy Communities	VMG	Supplies	\$ 80
Hawks Athletic			
Field	Arvig	Phone Service	46
Hawks Athletic			
Field	CenterPoint Energy	Natural Gas	108
Hawks Athletic			
Field	Xcel Energy	Electric	63
Hawks Athletic			
Field	City Utilities - Water/Sewer	City Utilities	41
Lions Park	Arvig	Phone Service	42
Lions Park	Xcel Energy	Electric	438
Lions Park	City Utilities - Water/Sewer	City Utilities	38
HWY 22 Project	Bolton & Menk	Engineering	21,540
HWY 22 Project	Braun Intertec	Service	1,155
HWY 22 Project	Kuechle Underground	Hwy 22 Project	268,008
Water	Arvig	Phone Service	224
Water	CenterPoint Energy	Natural Gas	324
Water	City of Watkins	Contracted Services	839
Water	EV Lumber	Supplies	9
Water	Gopher State One-Call	Service	5
Water	Hawkins Inc	Supplies	1,665
Water	LMCIT	Work Comp Ins Audit	41
Water	Meeker Cooperative	Electric	521
Water	MCSI	Supplies	8
Water	MN Revenue	Sale Tax & Use Tax	368
Water	Nohner Electric	Repairs	80
Water	Thein Well	Maint/Repair	8,768
Water	Xcel Energy	Electric	1,021
Sewer	Arvig	Phone Service	127
Sewer	Centra Sota	Service	75
Sewer	Gopher State One-Call	Service	5
Sewer	LMCIT	Work Comp Ins Audit	41
Sewer	Xcel Energy	Electric	390
Sewer	City Utilities - Water/Sewer	City Utilities	79
Senior Housing	Juanita Arens	Service	450
Senior Housing	Arvig	Phone Service	141
Senior Housing	Center Point Energy	Natural Gas	681

CITY OF EDEN VALLEY

SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES
December 31, 2014

<u>Fund</u>	<u>Vendor Name</u>	<u>Item and Purpose</u>	<u>Amount</u>
Senior Housing	Erkens Water	Supplies	\$ 56
Senior Housing	Kelly's Heating & AC	Repairs	197
Senior Housing	Meeker Court Services	Service	50
Senior Housing	Xcel Energy	Electric	411
Senior Housing	City Utilities - Water/Sewer	City Utilities	<u>819</u>
Total			<u><u>\$ 321,178</u></u>