

**City of Eden Valley  
Meeker and Stearns Counties, Minnesota**

**Financial Statements**

**December 31, 2020**

**City of Eden Valley  
Table of Contents**

<b>Elected Officials and Administration</b>	1
<b>Independent Auditor's Report</b>	2
<b>Regulatory Basis Financial Statements</b>	
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 – Proprietary Funds	12
Notes to Financial Statements	13
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
Schedule of Receipts, Disbursements, and Changes in Cash Fund Balances – Budget and Actual – General Fund	31
Schedule of Receipts, Disbursements, and Changes in Cash Fund Balances – Budget and Actual – Business Incentives	35
Combining Balance Sheet – Nonmajor Governmental Funds	36
Combining Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances – Nonmajor Governmental Funds	40
<b>Additional Supplementary Information</b>	
Schedule of Accounts Receivable	46
Schedule of Accounts Payable	47

**City of Eden Valley  
Elected Officials and Administration  
December 31, 2020**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Brent Bengtson	Mayor	December 31, 2022
Pat Becker	Council Member	December 31, 2024
Troy Huschle	Council Member	December 31, 2024
Janice Sheets	Council Member	December 31, 2022
Dan Thielen	Council Member	December 31, 2022
<u>Administration</u>		
Cindy Anderson	City Clerk/Treasurer	Appointed

## 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, 2020, and the related notes to financial statements, which collectively comprise the City's regulatory 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, 2020.

### Management's Responsibility for the Financial Statements

The City of Eden Valley's management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2020, the respective 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, 2020, 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, 2020, in conformity with the regulatory basis of accounting discussed in Note 1.

### **Other Matters**

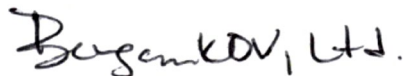
#### *Other Information*

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 fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The combining and individual 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory 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 financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the regulatory 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 19, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in black ink that reads "BergankDV, Ltd." in a cursive, slightly stylized font.

St. Cloud, Minnesota  
March 19, 2021

## **REGULATORY BASIS FINANCIAL STATEMENTS**

**City of Eden Valley**  
**Statement of Balances Arising from Cash Transactions -**  
**Governmental Funds**  
**December 31, 2020**

	General Fund (100)	Special Revenue Business Incentives (220)	Capital Projects 2018 Street Utility Projects Fund (418)
<b>Assets</b>			
Cash and investments	\$ 979,961	\$ 485,731	\$ -
Due from other funds	46,188	-	-
Total assets	<u>\$ 1,026,149</u>	<u>\$ 485,731</u>	<u>\$ -</u>
<b>Liabilities and Cash Fund Balances</b>			
Liabilities			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,106</u>
Cash fund balances			
Restricted	-	-	-
Committed	-	485,731	-
Unassigned	<u>1,026,149</u>	<u>-</u>	<u>(45,106)</u>
Total cash fund balances	<u>1,026,149</u>	<u>485,731</u>	<u>(45,106)</u>
Total liabilities and cash fund balances	<u>\$ 1,026,149</u>	<u>\$ 485,731</u>	<u>\$ -</u>



Other Governmental Funds	Total Governmental Funds
\$ 817,585	\$ 2,283,277
-	46,188
<u>\$ 817,585</u>	<u>\$ 2,329,465</u>
<u>\$ 1,082</u>	<u>\$ 46,188</u>
499,817	499,817
317,768	803,499
(1,082)	979,961
<u>816,503</u>	<u>2,283,277</u>
<u>\$ 817,585</u>	<u>\$ 2,329,465</u>

**City of Eden Valley**  
**Statement of Cash Receipts, Disbursements, and**  
**Changes in Cash Fund Balances -**  
**Governmental Funds**  
**Year Ended December 31, 2020**

		Special Revenue	Capital Projects
	General Fund (100)	Business Incentives (220)	2018 Street Utility Projects Fund (418)
<b>Receipts</b>			
General property taxes	\$ 514,195	\$ -	\$ -
Tax increments	-	-	-
Special assessments	-	-	-
Licenses and permits	6,200	-	-
Intergovernmental	452,656	-	-
Charges for service	86,297	-	-
Fines and forfeitures	1,428	-	-
Investment earnings	31,354	2,499	-
Miscellaneous			
Refunds and reimbursements	40,939	1,364	-
Donations and contributions	3,000	-	-
Other	16,462	-	-
Total receipts	<u>1,152,531</u>	<u>3,863</u>	<u>-</u>
<b>Disbursements</b>			
Current			
General government	316,170	-	-
Public safety	384,209	-	-
Public works	172,197	-	656
Culture and recreation	52,248	-	-
Economic development	-	6,059	-
Debt service			
Principal	44,807	-	-
Interest and other charges	16,038	-	-
Capital outlay			
General government	16,200	-	-
Public safety	27,923	-	-
Public works	3,231	-	-
Total disbursements	<u>1,033,023</u>	<u>6,059</u>	<u>656</u>
Excess of receipts over (under) disbursements	119,508	(2,196)	(656)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	7,048	-
Transfers out	(204,885)	-	-
Total other financing sources (uses)	<u>(204,885)</u>	<u>7,048</u>	<u>-</u>
Net change in cash fund balances	(85,377)	4,852	(656)
<b>Cash Fund Balances</b>			
Beginning of year	<u>1,111,526</u>	<u>480,879</u>	<u>(44,450)</u>
End of year	<u>\$ 1,026,149</u>	<u>\$ 485,731</u>	<u>\$ (45,106)</u>

Other Governmental Funds	Total Governmental Funds
\$ 66,133	\$ 580,328
15,737	15,737
7,351	7,351
-	6,200
10,000	462,656
-	86,297
-	1,428
12,238	46,091
-	42,303
65,989	68,989
1,640	18,102
<u>179,088</u>	<u>1,335,482</u>
-	316,170
-	384,209
58,013	230,866
60,381	112,629
1,919	7,978
75,000	119,807
37,598	53,636
-	16,200
7,273	35,196
-	3,231
<u>240,184</u>	<u>1,279,922</u>
(61,096)	55,560
207,837	214,885
(10,000)	(214,885)
<u>197,837</u>	<u>-</u>
136,741	55,560
<u>679,762</u>	<u>2,227,717</u>
<u>\$ 816,503</u>	<u>\$ 2,283,277</u>

**City of Eden Valley**  
**Statement of Balances Arising from Cash Transactions -**  
**Proprietary Funds**  
**December 31, 2020**

	Enterprise Funds		
	Water (510)	Sewer (520)	Total
<b>Assets</b>			
Cash and investments	<u>\$ 452,873</u>	<u>\$ 337,384</u>	<u>\$ 790,257</u>
<b>Net Cash Position</b>			
Unrestricted	<u>\$ 452,873</u>	<u>\$ 337,384</u>	<u>\$ 790,257</u>

**City of Eden Valley**  
**Statement of Receipts, Disbursements, and**  
**Changes in Net Cash Position - Proprietary Funds**  
**December 31, 2020**

	Enterprise Funds		
	Water (510)	Sewer (520)	Total
Operating receipts			
Charges for services	\$ 327,473	\$ 207,642	\$ 535,115
Connection fees	6,646	1,000	7,646
Miscellaneous operating revenues	1,914	5,171	7,085
Total operating receipts	<u>336,033</u>	<u>213,813</u>	<u>549,846</u>
Operating disbursements			
Salaries and benefits	66,966	45,557	112,523
Operating supplies	13,221	2,997	16,218
Repairs and maintenance	35,289	25,407	60,696
Professional services	27,708	28,000	55,708
Utilities	19,559	11,224	30,783
Miscellaneous expenses	15,003	6,441	21,444
Total operating disbursements	<u>177,746</u>	<u>119,626</u>	<u>297,372</u>
Excess of operating receipts over operating disbursements	158,287	94,187	252,474
Nonoperating receipts (disbursements)			
Investment income	4,196	13,318	17,514
Other	2,446	10,160	12,606
Loan principal and interest payment	85,407	-	85,407
Interest expense	(11,260)	(19,112)	(30,372)
Capital outlay	(16,489)	(19,647)	(36,136)
Total nonoperating receipts (disbursements)	<u>64,300</u>	<u>(15,281)</u>	<u>49,019</u>
Net income (loss) before debt principal and bond issuance	222,587	78,906	301,493
Debt principal	(206,500)	(103,500)	(310,000)
Bond issuance	<u>2,242</u>	<u>2,251</u>	<u>4,493</u>
Change in net cash position	18,329	(22,343)	(4,014)
Net cash position			
Beginning of year	<u>434,544</u>	<u>359,727</u>	<u>794,271</u>
End of year	<u>\$ 452,873</u>	<u>\$ 337,384</u>	<u>\$ 790,257</u>

**City of Eden Valley  
Statement of Cash Flows  
Proprietary Funds  
December 31, 2020**

	Water (510)	Sewer (520)	Total
<b>Cash Flows - Operating Activities</b>			
Receipts from customers	\$ 336,033	\$ 213,813	\$ 549,846
Payments to suppliers	(108,310)	(71,588)	(179,898)
Payments to employees	(66,966)	(45,557)	(112,523)
Net cash flows - operating activities	<u>160,757</u>	<u>96,668</u>	<u>257,425</u>
<b>Cash Flows - Noncapital Financing Activities</b>			
Miscellaneous revenue	<u>2,446</u>	<u>10,160</u>	<u>12,606</u>
<b>Cash Flows - Capital and Related Financing Activities</b>			
Loan repayment proceeds	82,500	-	82,500
Acquisition of capital assets	(18,959)	(22,128)	(41,087)
Proceeds from long-term debt	2,242	2,251	4,493
Principal paid on capital debt	(206,500)	(103,500)	(310,000)
Interest paid on capital debt	(8,353)	(19,112)	(27,465)
Net cash flows - capital and related financing activities	<u>(149,070)</u>	<u>(142,489)</u>	<u>(291,559)</u>
<b>Cash Flows - Investing Activities</b>			
Interest and dividends	<u>4,196</u>	<u>13,318</u>	<u>17,514</u>
Net change in cash and cash equivalents	18,329	(22,343)	(4,014)
<b>Cash and Cash Equivalents</b>			
Beginning of year	<u>434,544</u>	<u>359,727</u>	<u>794,271</u>
End of year	<u><u>\$ 452,873</u></u>	<u><u>\$ 337,384</u></u>	<u><u>\$ 790,257</u></u>

**City of Eden Valley**  
**Notes to Financial Statements**

**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 Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

2018 Street Utility Project Capital Projects Fund – This fund is a capital project fund and accounts for all of the activity related to the 2018 Street Utility 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.

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.

**C. Cash, Cash Equivalents, and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.



**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Cash, Cash Equivalents, and Investments (Continued)**

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.

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn.

**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. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and 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 and Sick Leave**

The City compensates employees who either retire or terminate for 100% of their accumulated unused vacation pay, and 50% of sick leave for those who have been employed for more than 15 years. As of December 31, 2020, the total liability for unused vacation and sick pay was approximately \$37,146.

**City of Eden Valley  
Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 a majority vote.
- **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 Council, or City's Clerk/Treasurer as delegated by the City Council.
- **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.

**H. 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.

**City of Eden Valley  
Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Budgetary Information (Continued)**

- I. 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.
- J. Annual appropriated budgets are adopted during the year for the General, Enterprise, and most Special Revenue Funds.
- K. Budgeted amounts are as originally adopted or as amended by the City Council. Amendments were made to the budget in 2020. Budgeted disbursement appropriations lapse at year-end.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Fund Balances**

The following funds had deficit cash fund balances at December 31, 2020:

Major Funds	
2018 Street Utility Project Fund	\$ 45,106
Non-major Governmental Funds	
Valley Daze Celebration	1,082

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

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. As of December 31, 2020, 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, 2020, the City had deposits as follows:

Checking	\$ 347,514
Certificates of Deposits	<u>200,499</u>
Total Deposits	<u><u>\$ 548,013</u></u>

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments**

As of December 31, 2020, the City had the following investments:

Investment Type	Fair Value	Investment Maturities			Ratings
		1 Year or Less	1-2 Years	3-5 Years	
Brokered certificate of deposits	\$ 978,495	\$ 290,566	\$ 270,167	\$ 417,762	N/A
Brokered money market	248,943	248,943	-	-	N/A
4M and 4M Plus Funds	1,297,783	1,297,783	-	-	N/A
Total investments	<u>\$ 2,525,221</u>	<u>\$ 1,837,292</u>	<u>\$ 270,167</u>	<u>\$ 417,762</u>	

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. The City was exposed to this risk as the following brokered certificates of deposits exceeded 5% of total investments; Ally BK Midvale UT CD, Comenity Cap BK UT CD, Wells Fargo BK Sioux Falls CD, and Discover BK CD.

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

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.

The City has the following recurring fair value measurements as of December 31, 2020:

- Investments of \$978,495 are valued using an IDC Market Closing Price 2 at RBC.

**C. Deposits and Investments**

Summary of cash deposits and investments as of December 31, 2020, were as follows:

Petty cash	\$ 300
Total deposits	548,013
Total investments	<u>2,525,221</u>
Total deposits and investments	<u><u>\$ 3,073,534</u></u>
Statement of Balances Arising from Cash Transactions - Governmental Funds	
Cash and investments	\$ 2,283,277
Statement of Balances Arising From Cash Transactions - Proprietary Funds	
Cash and investments	<u>790,257</u>
Total cash and investments	<u><u>\$ 3,073,534</u></u>

**NOTE 4 – INTERFUND BALANCES AND TRANSFERS**

**A. Interfund Assets/Liabilities**

At December 31, 2020, 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	\$ 46,188	\$ -
2018 Street Utility Projects Fund	-	45,106
Other governmental funds	<u>-</u>	<u>1,082</u>
Total	<u><u>\$ 46,188</u></u>	<u><u>\$ 46,188</u></u>

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 4 – INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

**A. Interfund Assets/Liabilities (Continued)**

The interfund transactions on the previous page were to cover deficit cash balances and will be repaid as funds become available.

**B. Interfund Transfers**

For the year ended December 31, 2020, interfund transfers were included in the following funds:

	Transfers In		
	Business	Nonmajor	
	Incentives	Governmental	Total
		Funds	
Transfers out			
General Fund	\$ 7,048	\$ 197,837	\$ 204,885
Nonmajor governmental funds	-	10,000	10,000
Total	<u>\$ 7,048</u>	<u>\$ 207,837</u>	<u>\$ 214,885</u>

The purpose of the transfers was for debt service payments, equipment purchases, and in accordance with fire contract agreements.

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 5 – LONG-TERM DEBT**

**A. Bonds Payable**

	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 and Notes						
G.O. Improvement Note of 2018A	2018	3.8%	\$ 145,000	2029	\$ 135,000	\$ 13,000
G.O. Improvement Bonds of 2013B	2013	1.40% - 4.00%	1,050,000	2035	840,000	45,000
Total G.O. Bonds, including Refunding Bonds					975,000	58,000
USDA Rural Development Loan	2009	4.50%	400,000	2049	204,354	12,544
G.O. Equipment Certificate	2013	3.25%	175,000	2023	40,000	20,000
Total Governmental Activities Liabilities					1,219,354	90,544
Enterprise Funds						
Notes from Direct Borrowing						
PFA G.O. Drinking Water Revenue Note	2000	2.32%	644,890	2021	40,000	40,000
PFA G.O. Drinking Water Revenue Note	2009	1.00%	286,461	2029	137,000	15,000
PFA G.O. Clean Water Sewer Revenue Note	2009	1.74%	660,457	2029	321,000	33,000
PFA Drinking Water Forgivable Grant	2013	0.00%	697,316	2033	697,316	-
PFA G.O. Drinking Water Revenue Note	2013	1.00%	174,329	2033	119,000	9,000
PFA G.O. Clean Water Sewer Revenue Note	2013	1.46%	470,625	2033	324,000	23,000
PFA G.O. Drinking Water Revenue Note	2018	1.00%	172,923	2038	83,323	8,000
PFA G.O. Clean Water Sewer Revenue Note	2018	1.00%	799,239	2038	576,454	38,000
G.O. Utility Revenue Notes						
G.O. Sewer Revenue Note, Series 2017A	2017	2.75%	90,000	2025	56,000	12,000
G.O. Water Revenue Note, Series 2017A	2017	2.75%	90,000	2025	56,000	12,000
Total Enterprise Fund Bonds					2,410,093	190,000

On September 11, 2013, the City received a PFA Drinking Water Forgivable Grant that is required to be repaid by the City if conditions of the agreement are not met. At December 31, 2020, 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 August 9, 2018, the City issued a \$172,923 G.O. Water Revenue Note through the Minnesota Public Facilities Authority (PFA). At December 31, 2020, the City had only expended \$95,245 of this PFA Drinking Water Revolving Loan. The amortization schedule included on page 23 represents the entire note liability of \$172,923. The remaining balance is expected to be drawn in 2020.

On August 9, 2018, the City issued a \$799,239 G.O. Sewer Revenue Note through the Minnesota PFA. At December 31, 2020, the City had only expended \$632,694 of this PFA Clean Water Revolving Loan. The amortization schedule included on the page 23 represents the entire note liability of \$799,239. The remaining balance is expected to be drawn in 2020.

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 5 – LONG-TERM DEBT (CONTINUED)**

**A. Bonds Payable (Continued)**

The following is a summary of bonds payable transactions of the City for the year ended 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
G.O. improvement bonds and notes	\$ 1,030,000	\$ -	\$ (55,000)	\$ 975,000
USDA rural development loan	246,161	-	(41,807)	204,354
G.O. Equipment certificates	60,000	-	(20,000)	40,000
PFA forgivable grant	697,316	-	-	697,316
PFA notes from direct borrowing	1,883,284	4,493	(287,000)	1,600,777
G.O. utility revenue note	135,000	-	(23,000)	112,000
	<u>\$ 4,051,761</u>	<u>\$ 4,493</u>	<u>\$ (426,807)</u>	<u>\$ 3,629,447</u>
Total long-term liabilities	<u>\$ 4,051,761</u>	<u>\$ 4,493</u>	<u>\$ (426,807)</u>	<u>\$ 3,629,447</u>

**B. Bonds, Certificates, and Loans Payable**

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

Year Ending December 31,	G.O. Improvement Bonds and Notes			USDA Rural Development Loan		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 58,000	\$ 33,782	\$ 91,782	\$ 12,544	\$ 9,196	\$ 21,740
2022	58,000	32,230	90,230	13,109	8,631	21,740
2023	59,000	30,581	89,581	13,698	8,042	21,740
2024	65,000	28,645	93,645	14,315	7,425	21,740
2025	65,000	26,475	91,475	14,959	6,781	21,740
2026-2030	340,000	97,413	437,413	85,519	23,181	108,700
2031-2035	330,000	34,000	364,000	50,210	4,109	54,319
	<u>\$ 975,000</u>	<u>\$ 283,126</u>	<u>\$ 1,258,126</u>	<u>\$ 204,354</u>	<u>\$ 67,365</u>	<u>\$ 271,719</u>
Total	<u>\$ 975,000</u>	<u>\$ 283,126</u>	<u>\$ 1,258,126</u>	<u>\$ 204,354</u>	<u>\$ 67,365</u>	<u>\$ 271,719</u>



**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 5 – LONG-TERM DEBT (CONTINUED)**

**B. Bonds, Certificates, and Loans Payable (Continued)**

Year Ended December 31,	Notes from Direct Borrowing		
	Principal	Interest	Total
2021	\$ 166,000	\$ 22,953	\$ 188,953
2022	127,000	20,396	147,396
2023	128,000	18,768	146,768
2024	130,000	17,109	147,109
2025	132,000	15,421	147,421
2026-2030	631,000	51,034	682,034
2031-2035	368,000	18,916	386,916
2036-2038	163,000	3,270	166,270
Total	<u>\$ 1,845,000</u>	<u>\$ 167,867</u>	<u>\$ 2,012,867</u>

Year Ended December 31,	G.O. Equipment Certificate			G.O. Utility Revenue Note		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 20,000	\$ 1,300	\$ 21,300	\$ 24,000	\$ 2,915	\$ 26,915
2022	20,000	650	20,650	24,000	2,255	26,255
2023	-	-	-	25,000	1,581	26,581
2024	-	-	-	26,000	894	26,894
2025	-	-	-	13,000	179	13,179
Total	<u>\$ 40,000</u>	<u>\$ 1,950</u>	<u>\$ 41,950</u>	<u>\$ 112,000</u>	<u>\$ 7,824</u>	<u>\$ 119,824</u>

The General Fund is responsible for the liquidation of the G.O. Equipment Certificate and the USDA Rural Development Loan, and the Debt Service Funds will pay for the outstanding principal and interest on the G.O. improvement bonds. The Water and Sewer Funds are responsible for payment of their respective Public Facilities Authority (PFA) loans and revenue notes.

**NOTE 6 – RECEIVABLES**

**A. Notes Receivable**

Notes, loans, and lease receivables at December 31, 2020, are as follows:

Amy Fink Photography Revolving Loan

\$10,000 promissory note, due in monthly installments of

\$106 through May 2022, with a final payment of \$5,726 due

June 2022, interest at 5%

\$ 6,973

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 6 – RECEIVABLES (CONTINUED)**

**B. Long-Term Receivable**

Loans receivable at December 31, 2020, 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 5. The balance at December 31, 2020, was \$20,000, and \$82,500 was collected on the receivable in 2020.

**NOTE 7 – 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	2018 Street Utility Project	Nonmajor Governmental Fund	Total
Restricted					
Henfling Trust	\$ -	\$ -	\$ -	\$ 16,629	\$ 16,629
Housing Rehabilitation	-	-	-	13,365	13,365
Tax Increment Financing	-	-	-	86,389	86,389
Park Development	-	-	-	132,524	132,524
Debt Service	-	-	-	250,910	250,910
Committed					
Economic Development	-	485,731	-	-	485,731
Capital Projects	-	-	-	317,768	317,768
Unassigned	1,026,149	-	(45,106)	(1,082)	979,961
Total	<u>\$1,026,149</u>	<u>\$ 485,731</u>	<u>\$ (45,106)</u>	<u>\$ 816,503</u>	<u>\$ 2,283,277</u>

**NOTE 8 – 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, 2020, 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 Financial Statements**

**NOTE 9 – PENSION PLANS**

**Public Employees' Retirement Association**

**A. Plan Description**

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

General Employees Plan members belong to either the Coordinated Plan or the 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 the Police and Fire Plan.

PERA provides retirement benefits as well as disability benefits to members and survivor benefits upon death of eligible members. Benefits are established by state statute. Benefits for members of the General Employees Plan vest after 5 years of credited service. Benefits for the Police and Fire Plan vest on a prorated basis from 50% after 10 years up to 100% after 20 years. The defined retirement plan benefits are based on a member's highest average salary for any five years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated Plan member is 1.2 % for each of the first 10 years of service and 1.7% for each additional year. The rates are 2.2% and 2.7%, respectively, for Basic members. Under Method 2, the accrual rate is 1.7% for all years of service, and 2.7% for Basic members. The accrual rates for former MERF members is 2.0% for each of the first 10 years of service and 2.5% for each additional year. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

For all General Employee Plan 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. Method 2 provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989, or age 66 (the age for unreduced Social Security benefits), for those first hired on or after that date. Early retirement may begin at age 55 with an actuarial reduction (about six percent per year) for members retiring prior to full retirement age.

Normal retirement age is 55 for Police and Fire plan members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement with an actuarial reduction in the member's benefit.

**City of Eden Valley  
Notes to Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

A full unreduced pension is earned when Police and Fire plan members meet the following conditions: Age 55 and vested or age plus years of service total at least 90 if first hired prior to July 1, 1989.

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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees and Police and Fire Plans. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**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. General Employees Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively, of their annual covered salary in 2020. Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in 2020. In 2020, the City was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.5% for Coordinated Plan members, and 17.7% for Police and Fire Plan members.

The City's contributions to the Public Employees Fund for the years ending December 31, 2020, 2019, and 2018 were \$16,716, \$15,760, and \$17,858, respectively. The City's contributions to the Police and Fire Fund for the years ending December 31, 2020, 2019, and 2018 were \$19,049, \$17,884, and \$16,810, respectively.

**Public Employees Defined Contribution Plan**

Four Council Members and 14 volunteer rescue squad members are covered by the Public Employee's Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan 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.

**City of Eden Valley  
Notes to Financial Statements**

**NOTE 9 – PENSION PLANS (CONTINUED)**

**Public Employees Defined Contribution Plan (Continued)**

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses; therefore, there is no future liability to the City. *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% (.25%) of the assets in each member's account annually.

Pension expense for the year is equal to the contributions made. Total contributions made by the City for elected officials during 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required Rates
Employee	Employer	Employee	Employer	
\$ 384	\$ 384	5.0%	5.0%	5.0%

Total contributions made by the City for the volunteer rescue squad during fiscal year 2020 were:

Contribution Amount		Percentage of Covered Payroll		Total Required Rate
Employee	Employer	Employee	Employer	
\$ 7,166	\$ 9,600	106.4%	133.0%	At least 7.5%

**NOTE 10 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending December 31, 2022.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ending December 31, 2021.

**City of Eden Valley**  
**Notes to Financial Statements**

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2020, cannot be determined at this time.

**NOTE 12 - TAX INCREMENT FINANCING**

The City has entered into two Tax Increment Financing agreements which meet the criteria for disclosure under Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures. The City's authority to enter into these agreements comes from *Minnesota Statute* 469. The City entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2020, the City generated \$15,737 in tax increment revenue and made no payments to developers. There were no payments due to developers at December 31, 2020.

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

(THIS PAGE LEFT BLANK INENTIONALLY)



**City of Eden Valley**  
**Schedule of Receipts, Disbursements, and Changes**  
**in Cash Fund Balances - Budget and Actual -**  
**General Fund**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
<b>Receipts</b>				
Taxes				
Property taxes	\$ 496,000	\$ 496,000	\$ 514,195	\$ 18,195
Licenses and permits	10,700	10,700	6,200	(4,500)
Intergovernmental				
Grants and aids				
Local government aid	318,616	318,616	319,252	636
Market value credit	-	-	850	850
Police and fire relief aid	29,000	31,621	33,072	1,451
PERA aid	703	703	-	(703)
Other aids and grants	-	99,482	99,482	-
Total intergovernmental	348,319	450,422	452,656	2,234
Charges for services				
General government	13,000	13,000	12,100	(900)
Public safety fire protection	86,351	86,351	74,197	(12,154)
Total charges for services	99,351	99,351	86,297	(13,054)
Fines and forfeitures	1,490	1,490	1,428	(62)
Investment earnings	13,000	13,000	31,354	18,354
Miscellaneous revenue				
Refunds and reimbursements	33,870	37,100	40,939	3,839
Donations and contributions	500	500	3,000	2,500
Other	14,900	14,900	16,462	1,562
Total miscellaneous revenue	49,270	52,500	60,401	7,901
Total receipts	1,018,130	1,123,463	1,152,531	29,068
<b>Disbursements</b>				
General government				
Mayor and council				
Current	40,767	40,767	64,634	23,867
Clerk/treasurer				
Current	75,550	75,550	70,572	(4,978)
Capital outlay	2,000	2,000	6,697	4,697

**City of Eden Valley**  
**Schedule of Receipts, Disbursements, and Changes**  
**in Cash Fund Balances - Budget and Actual -**  
**General Fund**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
<b>Disbursements (Continued)</b>				
General government (continued)				
Elections				
Current	\$ 11,277	\$ 11,277	\$ 9,895	\$ (1,382)
Planning and zoning				
Current	11,227	11,227	11,873	646
Other general government				
Current	118,596	118,596	159,196	40,600
Capital outlay	10,000	10,000	9,503	(497)
Total general government	<u>269,417</u>	<u>269,417</u>	<u>332,370</u>	<u>62,953</u>
Public safety				
Police protection				
Current	187,632	187,632	192,495	4,863
Capital outlay	200	200	23,220	23,020
Fire				
Current	144,537	143,562	180,432	36,870
Building inspection				
Current	9,600	9,600	8,157	(1,443)
Civil defense				
Current	4,615	4,615	3,125	(1,490)
First response				
Capital outlay	-	-	4,703	4,703
Total public safety	<u>346,584</u>	<u>345,609</u>	<u>412,132</u>	<u>66,523</u>
Public works				
Streets and general maintenance				
Current	136,833	136,833	117,571	(19,262)
Capital outlay	9,000	9,000	3,231	(5,769)
Snow removal				
Current	31,540	31,540	26,296	(5,244)
Street lighting				
Current	27,857	27,857	25,999	(1,858)
Sanitation				
Current	3,781	3,781	2,331	(1,450)
Total public works	<u>209,011</u>	<u>209,011</u>	<u>175,428</u>	<u>(33,583)</u>

**City of Eden Valley**  
**Schedule of Receipts, Disbursements, and Changes**  
**in Cash Fund Balances - Budget and Actual -**  
**General Fund**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
<b>Disbursements (Continued)</b>				
Culture and recreation				
Parks				
Current	\$ 71,451	\$ 71,451	\$ 52,248	\$ (19,203)
Total culture and recreation	<u>71,451</u>	<u>71,451</u>	<u>52,248</u>	<u>(19,203)</u>
Debt service				
Principal	45,000	45,000	44,807	(193)
Interest	16,038	16,038	16,038	-
Total debt service	<u>61,038</u>	<u>61,038</u>	<u>60,845</u>	<u>(193)</u>
Total disbursements	<u>957,501</u>	<u>956,526</u>	<u>1,033,023</u>	<u>76,497</u>
Excess of receipts over (under) disbursements	60,629	166,937	119,508	(47,429)
<b>Other Financing Uses</b>				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(204,885)</u>	<u>(164,885)</u>
Net change in cash fund balances	<u>\$ 20,629</u>	<u>\$ 126,937</u>	(85,377)	<u>\$ (212,314)</u>
<b>Cash Fund Balances</b>				
Beginning of year			<u>1,111,526</u>	
End of year			<u>\$ 1,026,149</u>	

(THIS PAGE LEFT BLANK INTENTIONALLY)

**City of Eden Valley**  
**Meeker and Stearns County, Minnesota**  
**Schedule of Receipts, Disbursements, and Changes**  
**in Cash Fund Balances - Budget and Actual -**  
**Business Incentives**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
<b>Receipts</b>				
Investment earnings	\$ 2,500	\$ 2,500	\$ 2,499	\$ (1)
Miscellaneous revenues				
Refunds and reimbursements	-	-	1,364	1,364
Total receipts	<u>2,500</u>	<u>2,500</u>	<u>3,863</u>	<u>1,363</u>
<b>Disbursements</b>				
Economic development				
Current	-	71,952	6,059	(65,893)
Excess of receipts over (under) disbursements	2,500	(69,452)	(2,196)	67,256
<b>Other financing sources</b>				
Transfers In	-	-	7,048	7,048
Net change in cash fund balances	<u>\$ 2,500</u>	<u>\$ (69,452)</u>	<u>4,852</u>	<u>\$ 74,304</u>
<b>Cash Fund Balances</b>				
Beginning of year			<u>480,879</u>	
End of year			<u>\$ 485,731</u>	

**City of Eden Valley  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2020**

	Special Revenue			
	Housing Rehabilitation (225)	Art & Lorraine Henfling Trust (271)	TIF Districts (240, 245, 250 and 280)	Valley Daze Celebration (260)
<b>Assets</b>				
Cash and investments	<u>\$ 13,365</u>	<u>\$ 16,629</u>	<u>\$ 86,389</u>	<u>\$ -</u>
<b>Liabilities and Cash Fund Balances</b>				
Liabilities				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,082</u>
Cash fund balances				
Restricted	13,365	16,629	86,389	-
Committed	-	-	-	-
Unassigned	-	-	-	(1,082)
Total cash fund balances	<u>13,365</u>	<u>16,629</u>	<u>86,389</u>	<u>(1,082)</u>
Total liabilities and cash fund balances	<u>\$ 13,365</u>	<u>\$ 16,629</u>	<u>\$ 86,389</u>	<u>\$ -</u>

Special Revenue	Debt Service		Capital Projects			
Park Dedication (265)	2012 MN HWY 22 Improvement (320)	2018 Improvement Bonds (340)	Capital Improvement (410)	Police Equipment (421)	Streets & Parks Equipment (431)	Fire and Rescue Equipment (470 and 475)
<u>\$ 132,524</u>	<u>\$ 222,208</u>	<u>\$ 28,702</u>	<u>\$ 17,344</u>	<u>\$ 27,031</u>	<u>\$ 117,750</u>	<u>\$ 122,062</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
132,524	222,208	28,702	-	-	-	-
-	-	-	17,344	27,031	117,750	122,062
-	-	-	-	-	-	-
<u>132,524</u>	<u>222,208</u>	<u>28,702</u>	<u>17,344</u>	<u>27,031</u>	<u>117,750</u>	<u>122,062</u>
<u>\$ 132,524</u>	<u>\$ 222,208</u>	<u>\$ 28,702</u>	<u>\$ 17,344</u>	<u>\$ 27,031</u>	<u>\$ 117,750</u>	<u>\$ 122,062</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)



**City of Eden Valley  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2020**

	Capital Projects		
	Stormwater Maintenance (432)	Friederichs Park Project Fund (451)	Total Governmental Funds
<b>Assets</b>			
Cash and investments	<u>\$ 32,539</u>	<u>\$ 1,042</u>	<u>\$ 817,585</u>
<b>Liabilities and Cash Fund Balances</b>			
Liabilities			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>1,082</u>
Cash fund balances			
Restricted	-	-	499,817
Committed	32,539	1,042	317,768
Unassigned	-	-	(1,082)
Total cash fund balances	<u>32,539</u>	<u>1,042</u>	<u>816,503</u>
Total liabilities and cash fund balances	<u>\$ 32,539</u>	<u>\$ 1,042</u>	<u>\$ 817,585</u>

**City of Eden Valley**  
**Combining Statement of Cash Receipts, Disbursements,**  
**and Changes in Cash Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2020**

	Special Revenue			
	Housing Rehabilitation (225)	Art & Lorraine Henfling Trust (271)	TIF Districts (240, 245, 250 and 280)	Valley Daze Celebration (260)
<b>Receipts</b>				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	-	15,737	-
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings	46	66	210	-
Miscellaneous				
Donations and contributions	-	3,905	-	4,350
Other	-	-	-	-
Total receipts	<u>46</u>	<u>3,971</u>	<u>15,947</u>	<u>4,350</u>
<b>Disbursements</b>				
Current				
Public works	-	-	-	-
Culture and recreation	-	-	-	4,350
Economic development	-	-	1,919	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Public safety	-	7,273	-	-
Total disbursements	<u>-</u>	<u>7,273</u>	<u>1,919</u>	<u>4,350</u>
Excess of receipts over (under) disbursements	46	(3,302)	14,028	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	3,389	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,389</u>	<u>-</u>	<u>-</u>
Net change in cash fund balances	46	87	14,028	-
<b>Cash Fund Balances</b>				
Beginning of year	<u>13,319</u>	<u>16,542</u>	<u>72,361</u>	<u>(1,082)</u>
End of year	<u>\$ 13,365</u>	<u>\$ 16,629</u>	<u>\$ 86,389</u>	<u>\$ (1,082)</u>

Special Revenue			Debt Service		Capital Projects	
Park Dedication (265)	Hawks Athletic Field (290)	Lions Park (295)	2012 MN HWY 22 Improvement (320)	2018 Improvement Bonds (340)	Capital Improvement (410)	Police Equipment (421)
\$ -	\$ -	\$ -	\$ 61,175	\$ 4,904	\$ 54	\$ -
-	-	-	-	-	-	-
-	-	-	4,959	2,325	67	-
-	-	-	-	-	-	-
514	-	-	10,426	-	35	87
-	11,000	4,000	-	-	-	-
-	-	-	-	-	-	-
514	11,000	4,000	76,560	7,229	156	87
-	-	-	-	-	-	-
-	23,921	5,033	-	-	-	-
-	-	-	-	-	-	-
-	-	-	45,000	10,000	-	-
-	-	-	30,328	5,320	-	-
-	-	-	-	-	-	-
-	23,921	5,033	75,328	15,320	-	-
514	(12,921)	(1,033)	1,232	(8,091)	156	87
-	11,658	5,876	-	-	-	5,000
(10,000)	-	-	-	-	-	-
(10,000)	11,658	5,876	-	-	-	5,000
(9,486)	(1,263)	4,843	1,232	(8,091)	156	5,087
142,010	1,263	(4,843)	220,976	36,793	17,188	21,944
\$ 132,524	\$ -	\$ -	\$ 222,208	\$ 28,702	\$ 17,344	\$ 27,031

**City of Eden Valley**  
**Combining Statement of Cash Receipts, Disbursements**  
**and Changes in Cash Fund Balances -**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2020**

	Capital Projects			
	Streets & Parks Equipment (431)	Fire and Rescue Equipment (470 and 475)	2021 Improvement Project (412)	Stormwater Maintenance (432)
<b>Receipts</b>				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings	319	424	-	107
Miscellaneous				
Donations and contributions	-	32,209	-	-
Other	-	-	-	-
Total receipts	<u>319</u>	<u>32,633</u>	<u>-</u>	<u>107</u>
<b>Disbursements</b>				
Current				
Public works	-	-	58,013	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	-	20,000	-	-
Interest and other charges	-	1,950	-	-
Capital outlay				
Public safety	-	-	-	-
Total disbursements	<u>-</u>	<u>21,950</u>	<u>58,013</u>	<u>-</u>
Excess of receipts over (under) disbursements	319	10,683	- (58,013)	107
<b>Other Financing Sources (Uses)</b>				
Transfers in	53,235	25,712	58,013	5,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>53,235</u>	<u>25,712</u>	<u>58,013</u>	<u>5,000</u>
Net change in cash fund balances	53,554	36,395	-	5,107
<b>Cash Fund Balances</b>				
Beginning of year	<u>64,196</u>	<u>85,667</u>	<u>-</u>	<u>27,432</u>
End of year	<u>\$ 117,750</u>	<u>\$ 122,062</u>	<u>\$ -</u>	<u>\$ 32,539</u>

Capital Projects

Friederichs Park Project Fund (451)	Total Nonmajor Governmental Funds
\$ -	\$ 66,133
-	15,737
-	7,351
10,000	10,000
4	12,238
10,525	65,989
1,640	1,640
<u>22,169</u>	<u>179,088</u>
	58,013
27,077	60,381
-	1,919
-	75,000
-	37,598
-	7,273
<u>27,077</u>	<u>240,184</u>
(4,908)	(61,096)
39,954	207,837
-	(10,000)
<u>39,954</u>	<u>197,837</u>
35,046	136,741
(34,004)	679,762
<u>\$ 1,042</u>	<u>\$ 816,503</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

## **SUPPLEMENTARY INFORMATION**

**City of Eden Valley**  
**Schedule of Accounts Receivable**  
**December 31, 2020**

Fund	Source of Revenue	Purpose	Amount
2012 MN HWY 22 Improvement Debt Service	Mecker County	Taxes 2020	\$ 299
2012 MN HWY 22 Improvement Debt Service	Stearns County	Taxes 2020	644
Lions Park	Lions	Lions Park	2,000
Fire and Rescue Equipment	Township of Luxemburg	2020 Fire Protection	293
General	Mecker County	Taxes 2020	2,599
General	Stearns County	Taxes 2020	1,422
General	Hawks Athletic Field	Reimbursement	8,000
General	Township of Luxemburg	2020 Fire Protection	1,876
General	Arvig	4th quarter franchise fees	2,566
Sewer	Various	Utility billing	17,593
Water	City of Watkins	Water sales	12,410
Water	Various	Utility billing	21,506
Total			<u>\$ 71,208</u>



**City of Eden Valley**  
**Schedule of Accounts Payable**  
**December 31, 2020**

Fund	Vendor Name	Item and Purpose	Amount
General	Central McGowan	Supplies	\$ 7
General	Comdata	Supplies	1,280
General	Eden Valley Lumber	Supplies	14
General	Landscaping Plus	Snow removal	720
General	MN BCA	Services	150
General	Summit Companies	Services	85
General	Thielen Excavating LLC	Snow removal	1,862
General	Meeker Coop	Supplies	100
General	Jack's Oil Distribution Inc	Supplies	591
General	West Central Sanitation	Services	70
General	Xcel Energy	Services	2,984
General	MN Dept of Administration	Lease	618
General	Rinke Noonan	Services	1,903
General	Center Point Energy	Services	1,328
General	Meeker County Sheriff	Services	384
General	Stearns County Auditor	Chargebacks	22
General	Quantum Data Systems	Services	340
Hawks Athletic Field	Center Point Energy	Services	128
Hawks Athletic Field	Xcel Energy	Services	67
Lions Park	Xcel Energy	Services	206
2021 Improvement Project	Bolton & Menk	Services	62,187
Friedrichs Park Project	Xcel Energy	Services	31
2018 Street Utility Projects	RL Larson Excavating Inc	Services	39,778
Water	RL Larson Excavating Inc	Services	24,234
Water	Pace	Services	10
Water	Gopher State One-Call	Services	12
Water	Meeker Coop	Services	576
Water	MN Revenue	Sales Tax	417
Water	City of Watkins	Services	1,389
Water	MN DNR - Ecol & Water Resource	Services	303
Water	Xcel Energy	Services	1,118
Sewer	RL Larson Excavating Inc	Services	26,215
Sewer	Pace	Services	10
Sewer	Eden Valley Lumber	Supplies	6
Sewer	Gopher State One-Call	Services	13
Sewer	Xcel Energy	Services	497
Total			<u>\$ 169,655</u>