

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

Regulatory Financial Statements

December 31, 2022

**City of Eden Valley
Table of Contents**

Elected Officials and Administration	1
Independent Auditor's Report	2
Regulatory Basis Financial Statements	
Statement of Balances Arising from Cash Transactions	
– Governmental Funds	6
Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances	
– Governmental Funds	8
Statement of Balances Arising from Cash Transactions	
– Proprietary Funds	10
Statement of Receipts, Disbursements, and Changes in Net Cash Position	
– Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12
Notes to Regulatory Financial Statements	13
Combining and Individual Fund Financial Statements and Schedules	
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
Additional Supplementary Information	
Schedule of Accounts Receivable	46
Schedule of Accounts Payable	47

**City of Eden Valley
Elected Officials and Administration
December 31, 2022**

<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
Dan Thielen	Council Member	December 31, 2022
Vacant	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, 2022, 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, 2022.

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 Opinions" 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, 2022, 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, 2022, 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, 2022, in conformity with the regulatory basis of accounting discussed in Note 1.

Basis for Opinions

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.

Basis for Opinions (Continued)

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Eden Valley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Eden Valley's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Eden Valley's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Eden Valley's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

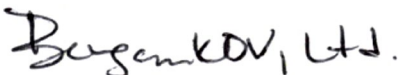
Supplementary Information

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.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. The 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 16, 2023, 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.



St. Cloud, Minnesota
March 16, 2023

REGULATORY BASIS FINANCIAL STATEMENTS

City of Eden Valley
Statement of Balances Arising from Cash Transactions -
Governmental Funds
December 31, 2022

		Special Revenue	Capital Project
	General Fund (100)	Business Incentives (220)	Fire and Rescue Equipment (470 and 475)
Assets			
Cash and investments	\$ 1,296,661	\$ 295,453	\$ 143,564
Cash Fund Balances			
Restricted	113,544	-	-
Committed	-	295,453	-
Assigned	-	-	143,564
Unassigned	1,183,117	-	-
Total cash fund balances	\$ 1,296,661	\$ 295,453	\$ 143,564

Other Governmental Funds	Total Governmental Funds
<u>\$ 1,029,392</u>	<u>\$ 2,765,070</u>
533,014	646,558
3,925	299,378
492,453	636,017
-	1,183,117
<u>\$ 1,029,392</u>	<u>\$ 2,765,070</u>

City of Eden Valley
Statement of Cash Receipts, Disbursements, and
Changes in Cash Fund Balances -
Governmental Funds
Year Ended December 31, 2022

		Special Revenue	Capital Project
	General Fund (100)	Business Incentives (220)	Fire and Rescue Equipment (470 and 475)
Receipts			
General property taxes	\$ 532,977	\$ -	\$ -
Tax increments	-	-	-
Special assessments	879	-	-
Licenses and permits	11,020	-	-
Intergovernmental	566,884	-	-
Charges for service	106,221	-	-
Fines and forfeitures	1,588	-	-
Investment earnings	(22,727)	886	2,200
Miscellaneous			
Refunds and reimbursements	55,617	-	-
Donations and contributions	19,800	-	40,000
Other	10,361	-	5,252
Total receipts	<u>1,282,620</u>	<u>886</u>	<u>47,452</u>
Disbursements			
Current			
General government	368,933	-	-
Public safety	391,749	-	46
Public works	138,528	-	-
Culture and recreation	53,486	-	-
Economic development	-	42,919	-
Debt service			
Principal	51,268	-	-
Interest and other charges	6,472	-	-
Capital outlay			
General government	4,011	-	-
Public safety	11,696	-	225,832
Public works	-	-	-
Culture and recreation	-	-	-
Total disbursements	<u>1,026,143</u>	<u>42,919</u>	<u>225,878</u>
Excess of receipts over (under) disbursements	256,477	(42,033)	(178,426)
Other Financing Sources (Uses)			
Insurance proceeds	5,860	-	-
Bond refunding payment	-	-	-
Transfers in	46	-	65,571
Transfers out	(189,622)	-	-
Total other financing sources (uses)	<u>(183,716)</u>	<u>-</u>	<u>65,571</u>
Net change in cash fund balances	72,761	(42,033)	(112,855)
Cash Fund Balances			
Beginning of year	<u>1,223,900</u>	<u>337,486</u>	<u>256,419</u>
End of year	<u>\$ 1,296,661</u>	<u>\$ 295,453</u>	<u>\$ 143,564</u>

See notes to regulatory financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 64,339	\$ 597,316
18,105	18,105
69,089	69,968
-	11,020
15,540	582,424
-	106,221
-	1,588
(1,984)	(21,625)
500	56,117
87,840	147,640
8,374	23,987
<u>261,803</u>	<u>1,592,761</u>
-	368,933
2,396	394,191
6,876	145,404
75,220	128,706
17,536	60,455
58,000	109,268
39,968	46,440
-	4,011
-	237,528
30,618	30,618
5,730	5,730
<u>236,344</u>	<u>1,531,284</u>
25,459	61,477
-	5,860
(750,000)	(750,000)
125,238	190,855
(1,233)	(190,855)
<u>(625,995)</u>	<u>(744,140)</u>
(600,536)	(682,663)
<u>1,629,928</u>	<u>3,447,733</u>
<u>\$ 1,029,392</u>	<u>\$ 2,765,070</u>

City of Eden Valley
Statement of Balances Arising from Cash Transactions -
Proprietary Funds
December 31, 2022

		Enterprise Funds		
		Water (510)	Sewer (520)	Total
Assets				
	Cash and cash equivalents	<u>\$ 848,170</u>	<u>\$ 339,677</u>	<u>\$ 1,187,847</u>
Net Cash Position				
	Restricted	\$ 55,467	\$ -	\$ 55,467
	Unrestricted	<u>792,703</u>	<u>339,677</u>	<u>1,132,380</u>
	Total net assets	<u>\$ 848,170</u>	<u>\$ 339,677</u>	<u>\$ 1,187,847</u>

City of Eden Valley
Statement of Receipts, Disbursements, and
Changes in Net Cash Position - Proprietary Funds
December 31, 2022

	Enterprise Funds		
	Water (510)	Sewer (520)	Total
Operating receipts			
Charges for services	\$ 424,551	\$ 251,259	\$ 675,810
Connection fees	14,665	10,000	24,665
Miscellaneous operating revenues	6,183	13,890	20,073
Total operating receipts	<u>445,399</u>	<u>275,149</u>	<u>720,548</u>
Operating disbursements			
Salaries and benefits	71,931	49,494	121,425
Operating supplies	10,391	7,392	17,783
Repairs and maintenance	9,731	22,429	32,160
Professional services	55,062	79,220	134,282
Utilities	25,425	12,318	37,743
Miscellaneous expenses	7,934	6,735	14,669
Total operating disbursements	<u>180,474</u>	<u>177,588</u>	<u>358,062</u>
Excess of operating receipts over operating disbursements	264,925	97,561	362,486
Nonoperating receipts (disbursements)			
Investment income	(5,791)	(19,455)	(25,246)
Intergovernmental	10,000	-	10,000
Other	2,574	10,285	12,859
Interest expense	(13,273)	(30,342)	(43,615)
Capital outlay	<u>(122,232)</u>	<u>(118,957)</u>	<u>(241,189)</u>
Total nonoperating receipts (disbursements)	<u>(128,722)</u>	<u>(158,469)</u>	<u>(287,191)</u>
Net income (loss) before debt principal and bond issuance	136,203	(60,908)	75,295
Debt principal	(70,833)	(140,636)	(211,469)
PFA issuance	<u>124,414</u>	<u>160,825</u>	<u>285,239</u>
Change in net cash position	189,784	(40,719)	149,065
Net cash position			
Beginning of year	<u>658,386</u>	<u>380,396</u>	<u>1,038,782</u>
End of year	<u>\$ 848,170</u>	<u>\$ 339,677</u>	<u>\$ 1,187,847</u>

**City of Eden Valley
Statement of Cash Flows
Proprietary Funds
December 31, 2022**

	Water (510)	Sewer (520)	Total
Cash Flows - Operating Activities			
Receipts from customers	\$ 445,399	\$ 275,149	\$ 720,548
Payments to suppliers	(108,543)	(128,094)	(236,637)
Payments to employees	(71,931)	(49,494)	(121,425)
Net cash flows - operating activities	<u>264,925</u>	<u>97,561</u>	<u>362,486</u>
Cash Flows - Noncapital Financing Activities			
Miscellaneous revenue	<u>2,574</u>	<u>10,285</u>	<u>12,859</u>
Cash Flows - Capital and Related Financing Activities			
Acquisition of capital assets	(122,232)	(118,957)	(241,189)
Proceeds from long-term debt	124,414	160,825	285,239
Grant proceeds	10,000	-	10,000
Principal paid on capital debt	(70,833)	(140,636)	(211,469)
Interest paid on capital debt	(13,273)	(30,342)	(43,615)
Net cash flows - capital and related financing activities	<u>(71,924)</u>	<u>(129,110)</u>	<u>(201,034)</u>
Cash Flows - Investing Activities			
Interest and dividends	<u>(5,791)</u>	<u>(19,455)</u>	<u>(25,246)</u>
Net change in cash and cash equivalents	189,784	(40,719)	149,065
Cash and Cash Equivalents			
Beginning of year	<u>658,386</u>	<u>380,396</u>	<u>1,038,782</u>
End of year	<u>\$ 848,170</u>	<u>\$ 339,677</u>	<u>\$ 1,187,847</u>

City of Eden Valley
Notes to Regulatory 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 basic 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 Regulatory 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 the activity related to business incentives.

Fire and Rescue Equipment Capital Projects Fund – This fund is a capital project fund and accounts for all of the activity related to fire and rescue equipment.

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 are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and repairs and maintenance of 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 Regulatory 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, 2022, the total liability for unused vacation and sick pay was approximately \$36,508.

City of Eden Valley
Notes to Regulatory 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 Regulatory Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Budgetary Information (Continued)

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. Amendments were not made to the budget in 2022. Budgeted disbursement appropriations lapse at year-end.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Disbursements over Appropriations

Budgetary control for governmental funds is established by each fund's total appropriations. Disbursements exceeded appropriations in the General Fund by \$43,897, and in the Business Incentives Fund by \$34,596.

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, 2022, 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, 2022, the City had deposits as follows:

Checking	\$ 461,421
Certificates of Deposits	<u>204,544</u>
Total Deposits	<u><u>\$ 665,965</u></u>

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

As of December 31, 2022, 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	\$ 1,146,402	\$ 282,451	\$ 106,114	\$ 757,837	N/A
Brokered money market	1,124	1,124	-	-	N/A
4M and 4M Plus Funds	2,139,126	2,139,126	-	-	N/A
Total investments	<u>\$ 3,286,652</u>	<u>\$ 2,422,701</u>	<u>\$ 106,114</u>	<u>\$ 757,837</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, Sallie Mae CD and State BK India CD.

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, 2022:

- Investments of \$1,146,402 are valued using an IDC Market Closing Price 2 (Level 2 inputs) at RBC.

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments

Summary of cash deposits and investments as of December 31, 2022, were as follows:

Petty cash	\$ 300
Total deposits	665,965
Total investments	<u>3,286,652</u>
 Total deposits and investments	 <u><u>\$ 3,952,917</u></u>
 Statement of Balances Arising from Cash Transactions - Governmental Funds	
Cash and investments	\$ 2,765,070
 Statement of Balances Arising From Cash Transactions - Proprietary Funds	
Cash and investments	<u>1,187,847</u>
 Total cash and investments	 <u><u>\$ 3,952,917</u></u>

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

A. Interfund Transfers

For the year ended December 31, 2022, interfund transfers were included in the following funds:

	Transfers In			Total
	General Fund	Fire and Rescue Equipment (470 and 475)	Nonmajor Governmental Funds	
Transfers out				
General Fund	\$ -	\$ 65,571	\$ 124,051	\$ 189,622
Nonmajor governmental funds	<u>46</u>	<u>-</u>	<u>1,187</u>	<u>1,233</u>
 Total	<u><u>\$ 46</u></u>	<u><u>\$ 65,571</u></u>	<u><u>\$ 125,238</u></u>	<u><u>\$ 190,855</u></u>

The purpose of the transfers was for equipment and other purchases, and to close funds.

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 5 – LONG-TERM DEBT

A. Components of Long-Term Liabilities

	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	\$ 109,000	\$ 14,000
G.O. Improvement & Refunding Bonds 2021C	2021	2.00%-3.00%	1,225,000	2042	1,225,000	60,000
Total G.O. Bonds and Notes, including Refunding Bonds					1,334,000	74,000
USDA Rural Development Loan	2009	4.50%	400,000	2049	94,187	17,502
Lease liability	2020	3.96%	16,708	2025	11,511	5,197
Total Governmental Activities Liabilities					1,439,698	96,699
Enterprise Funds						
Notes from Direct Borrowing						
PFA G.O. Drinking Water Revenue Note	2009	1.00%	286,461	2029	107,000	15,000
PFA G.O. Clean Water Sewer Revenue Note	2009	1.74%	660,457	2029	254,000	34,000
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	101,000	9,000
PFA G.O. Clean Water Sewer Revenue Note	2013	1.46%	470,625	2033	278,000	23,000
PFA G.O. Drinking Water Revenue Note	2018	1.00%	172,923	2038	106,000	6,000
PFA G.O. Clean Water Sewer Revenue Note	2018	1.00%	799,239	2038	571,000	33,000
PFA G.O. Drinking Water Revenue Note	2021	1.00%	1,285,832	2042	1,121,303	51,303
PFA G.O. Clean Water Sewer Revenue Note	2021	1.00%	1,925,380	2042	1,709,228	77,228
G.O. Utility Revenue Notes						
G.O. Sewer Revenue Note, Series 2017A	2017	2.75%	90,000	2025	32,000	12,500
G.O. Water Revenue Note, Series 2017A	2017	2.75%	90,000	2025	32,000	12,500
Total Enterprise Fund Bonds					5,008,847	273,531
Total all long-term liabilities					\$ 6,448,545	\$ 370,230

The General Fund is responsible for the liquidation of 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.

B. Lease Liability

On March 19, 2020, the City entered into a lease agreement on with MN Department of Administration, Fleet & Surplus Services for a police car. The capital lease agreement includes monthly principal and interest payments of \$450. The lease agreement expires on March 19, 2025.

C. Notes from Direct Borrowing

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, 2022, 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.

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

C. Notes from Direct Borrowing (Continued)

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, 2022, the City had only expended \$131,924 of this PFA Drinking Water Revolving Loan. This was the final draw on this note and the amortization schedule included on page 23 represents the final note liability of \$131,924.

On August 9, 2018, the City issued a \$799,239 G.O. Sewer Revenue Note through the Minnesota PFA. At December 31, 2022, the City had only expended \$697,495 of this PFA Clean Water Revolving Loan. This was the final draw on this note and the amortization schedule included on page 23 represents the final note liability of \$697,495.

On September 16, 2021, the City issued a \$1,925,380 G.O. Clean Water Revenue Note through the Minnesota PFA. At December 31, 2022, the City had only expended \$1,748,608 of this PFA Clean Water Revolving Loan. This was the final draw on this note and the amortization schedule included on page 23 represents the final note liability of \$1,748,608.

On September 16, 2021, the City issued a \$1,285,832 G.O. Drinking Water Revenue Note through the Minnesota PFA. At December 31, 2022, the City had only expended \$1,150,135 of this PFA Drinking Water Revolving Loan. This was the final draw on this note and the amortization schedule included on page 23 represents the final note liability of \$1,150,135.

D. General Obligation Bonds

In November 2021, the City issued \$1,225,000 General Obligation Improvement and Refunding Bonds, Series 2021C for an improvement project and for the current refunding of the General Obligation Improvement Bonds, Series 2013B. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease in future debt service payments of \$103,369. The net present value cash flow savings from this transaction was \$93,145. The call date for the 2013B Bond was February 1, 2022.

E. Changes in Long-Term Liabilities

The following is a summary of bonds payable transactions of the City for the year ended 2022:

	Beginning Balance as Restated	Adjustments	Increases	Decreases	Ending Balance
G.O. improvement bonds and notes	\$ 2,142,000	\$ -	\$ -	\$ (808,000)	\$ 1,334,000
USDA rural development loan	145,455	-	-	(51,268)	94,187
Lease liability	-	16,708	-	(5,197)	11,511
PFA forgivable grant	697,316	-	-	-	697,316
PFA notes from direct borrowing	4,273,135	-	161,864	(187,468)	4,247,531
G.O. utility revenue note	88,000	-	-	(24,000)	64,000
Total long-term liabilities	<u>\$ 7,345,906</u>	<u>\$ 16,708</u>	<u>\$ 161,864</u>	<u>\$ (1,075,933)</u>	<u>\$ 6,448,545</u>

*The adjustment relates to the implementation of GASB 87 during the year.

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

F. Minimum Debt Payments

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
2023	\$ 74,000	\$ 32,726	\$ 106,726	\$ 17,502	\$ 4,238	\$ 21,740
2024	85,000	30,225	115,225	18,289	3,451	21,740
2025	85,000	27,555	112,555	19,112	2,628	21,740
2026	85,000	24,885	109,885	19,972	1,768	21,740
2027	91,000	22,121	113,121	19,312	869	20,181
2028-2032	449,000	72,067	521,067	-	-	-
2033-2037	315,000	28,238	343,238	-	-	-
2038-2042	150,000	7,969	157,969	-	-	-
Total	<u>\$ 1,334,000</u>	<u>\$ 245,786</u>	<u>\$ 1,579,786</u>	<u>\$ 94,187</u>	<u>\$ 12,954</u>	<u>\$ 107,141</u>

Year Ended December 31,	Lease liability		
	Principal	Interest	Total
2023	\$ 5,197	\$ 206	\$ 5,403
2024	5,197	206	5,403
2025	1,117	44	1,161
Total	<u>\$ 11,511</u>	<u>\$ 456</u>	<u>\$ 11,967</u>

Year Ended December 31,	Notes from Direct Borrowing		
	Principal	Interest	Total
2023	\$ 248,531	\$ 45,892	\$ 294,423
2024	252,000	43,229	295,229
2025	255,000	40,301	295,301
2026	258,000	37,341	295,341
2027	260,000	34,330	294,330
2028-2032	1,183,000	128,013	1,311,013
2033-2037	984,000	69,966	1,053,966
2038-2042	807,000	23,700	830,700
Total	<u>\$ 4,247,531</u>	<u>\$ 422,772</u>	<u>\$ 4,670,303</u>

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 5 – LONG-TERM DEBT (CONTINUED)

F. Minimum Debt Payments (Continued)

Year Ended December 31,	G.O. Utility Revenue Note		
	Principal	Interest	Total
2023	\$ 25,000	\$ 1,581	\$ 26,581
2024	26,000	894	26,894
2025	13,000	179	13,179
Total	<u>\$ 64,000</u>	<u>\$ 2,654</u>	<u>\$ 66,654</u>

NOTE 6 – RECEIVABLES

A. Loan Receivable

Loans Receivable at December 31, 2022, are as follows:

Eden Valley Leased Housing

\$150,000 loan agreement, due in annual installments of \$15,000

from January 2027 through January 2037, interest at 0%.

\$ 150,000

City of Eden Valley
Notes to Regulatory Financial Statements

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	Fire and Rescue Equipment (470 and 475)	Nonmajor Governmental Fund	Total
Restricted					
Henfling Trust	\$ -	\$ -	\$ -	\$ 3,025	\$ 3,025
Housing Rehabilitation	-	-	-	13,521	13,521
Tax Increment Financing	-	-	-	118,371	118,371
Park Development	-	-	-	134,383	134,383
Debt Service	-	-	-	263,714	263,714
American Rescue Plan	113,544	-	-	-	113,544
Committed					
Business Incentives	-	295,453	-	-	295,453
Lions Park	-	-	-	533	533
Hawks Athletic Field	-	-	-	3,392	3,392
Assigned for Capital Projects			143,564	492,453	636,017
Unassigned	1,183,117	-	-	-	1,183,117
Total	<u>\$ 1,296,661</u>	<u>\$ 295,453</u>	<u>\$ 143,564</u>	<u>\$ 1,029,392</u>	<u>\$ 2,765,070</u>

The Water Fund has \$55,467 Restricted Net Cash Position related to MN PFA System Replacement Fund balances.

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, 2022, 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 Regulatory 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. 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 Regulatory 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.

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 Coordinated Plan members were required to contribute 6.5% of their annual covered salary in 2022. Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in 2022. In 2022, the City was required to contribute the following percentages of annual covered payroll: 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, 2022, 2021, and 2020 were \$17,189, \$17,271, and \$16,716, respectively. The City's contributions to the Police and Fire Fund for the years ending December 31, 2022, 2021, and 2020 were \$12,777, \$19,413, and \$19,049, respectively.

NOTE 10 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending December 31, 2023.

City of Eden Valley
Notes to Regulatory Financial Statements

NOTE 11 - 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, 2022, the City generated \$18,105 in tax increment revenue and made no payments to developers. There were no payments due to developers at December 31, 2022.

(THIS PAGE LEFT BLANK INENTIONALLY)

**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, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Taxes			
Property taxes	\$ 530,519	\$ 532,977	\$ 2,458
Special assessments	-	879	879
Licenses and permits	4,700	11,020	6,320
Intergovernmental			
Grants and aids			
Local government aid	332,956	332,956	-
Market value credit	-	528	528
Police and fire relief aid	28,000	35,795	7,795
Other aids and grants	-	197,605	197,605
Total intergovernmental	360,956	566,884	205,928
Charges for services			
General government	9,450	19,785	10,335
Public safety fire protection	88,280	84,636	(3,644)
Parks and recreation	1,200	1,800	600
Total charges for services	98,930	106,221	7,291
Fines and forfeitures	700	1,588	888
Investment earnings	-	(22,727)	(22,727)
Miscellaneous revenue			
Refunds and reimbursements	35,132	55,617	20,485
Donations and contributions	-	19,800	19,800
Other	1,850	10,361	8,511
Total miscellaneous revenue	36,982	85,778	48,796
Total receipts	1,032,787	1,282,620	249,833
Disbursements			
General government			
Mayor and council			
Current	69,493	164,529	95,036
Clerk/treasurer			
Current	84,604	80,484	(4,120)
Capital outlay	2,000	390	(1,610)

City of Eden Valley
Schedule of Receipts, Disbursements, and Changes
in Cash Fund Balances - Budget and Actual -
General Fund
Year Ended December 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Disbursements (Continued)			
General government (continued)			
Elections			
Current	\$ 10,044	\$ 5,765	\$ (4,279)
Planning and zoning			
Current	11,705	13,631	1,926
Other general government			
Current	101,804	104,524	2,720
Capital outlay	10,000	3,621	(6,379)
Total general government	<u>289,650</u>	<u>372,944</u>	<u>83,294</u>
Public safety			
Police protection			
Current	201,524	206,148	4,624
Capital outlay	2,500	10,691	8,191
Fire			
Current	158,143	174,130	15,987
Capital outlay	-	1,005	1,005
Building inspection			
Current	5,960	8,857	2,897
Civil defense			
Current	3,413	2,614	(799)
First response			
Capital outlay	1,000	-	(1,000)
Total public safety	<u>372,540</u>	<u>403,445</u>	<u>30,905</u>
Public works			
Streets and general maintenance			
Current	159,283	106,477	(52,806)
Capital outlay	9,000	-	(9,000)
Snow removal			
Current	29,328	30,148	820
Sanitation			
Current	-	1,903	1,903
Total public works	<u>197,611</u>	<u>138,528</u>	<u>(59,083)</u>

City of Eden Valley
Schedule of Receipts, Disbursements, and Changes
in Cash Fund Balances - Budget and Actual -
General Fund
Year Ended December 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Disbursements (Continued)			
Culture and recreation			
Parks			
Current	\$ 64,705	\$ 53,486	\$ (11,219)
Total culture and recreation	<u>64,705</u>	<u>53,486</u>	<u>(11,219)</u>
Debt service			
Principal	42,342	51,268	8,926
Interest	<u>15,398</u>	<u>6,472</u>	<u>(8,926)</u>
Total debt service	<u>57,740</u>	<u>57,740</u>	<u>-</u>
Total disbursements	<u>982,246</u>	<u>1,026,143</u>	<u>43,897</u>
Excess of receipts over disbursements	50,541	256,477	205,936
Other Financing Sources (Uses)			
Insurance proceeds	-	5,860	5,860
Transfers in	-	46	46
Transfers out	<u>(55,000)</u>	<u>(189,622)</u>	<u>(134,622)</u>
Total other financing sources (uses)	<u>(55,000)</u>	<u>(183,716)</u>	<u>(128,716)</u>
Net change in cash fund balances	<u>\$ (4,459)</u>	72,761	<u>\$ 77,220</u>
Cash Fund Balances			
Beginning of year		<u>1,223,900</u>	
End of year		<u>\$ 1,296,661</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, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Investment earnings	\$ -	\$ 886	\$ 886
Disbursements			
Economic development			
Current	8,323	42,919	34,596
Net change in cash fund balances	<u>\$ (8,323)</u>	(42,033)	<u>\$ (33,710)</u>
Cash Fund Balances			
Beginning of year		<u>337,486</u>	
End of year		<u>\$ 295,453</u>	

**City of Eden Valley
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022**

	Special Revenue		
	Housing Rehabilitation (225)	Art and Lorraine Henfling Trust (271)	TIF Districts (240, 245, 250 and 280)
Assets			
Cash and investments	<u>\$ 13,521</u>	<u>\$ 3,025</u>	<u>\$ 118,371</u>
Cash Fund Balances			
Cash fund balances			
Restricted	13,521	3,025	118,371
Committed	-	-	-
Assigned	-	-	-
Total cash fund balances	<u>13,521</u>	<u>3,025</u>	<u>118,371</u>
 Total liabilities and cash fund balances	<u>\$ 13,521</u>	<u>\$ 3,025</u>	<u>\$ 118,371</u>

Special Revenue			Debt Service		
Park Dedication (265)	Hawks Athletic Field (290)	Lions Park (295)	2012 MN HWY 22 Improvement (320)	2018 Improvement Bonds (340)	2021C GO and Refunding (360/370)
<u>\$ 134,383</u>	<u>\$ 3,392</u>	<u>\$ 533</u>	<u>\$ 162,226</u>	<u>\$ 18,480</u>	<u>\$ 83,008</u>
134,383	-	-	162,226	18,480	83,008
-	3,392	533	-	-	-
-	-	-	-	-	-
<u>134,383</u>	<u>3,392</u>	<u>533</u>	<u>162,226</u>	<u>18,480</u>	<u>83,008</u>
<u>\$ 134,383</u>	<u>\$ 3,392</u>	<u>\$ 533</u>	<u>\$ 162,226</u>	<u>\$ 18,480</u>	<u>\$ 83,008</u>

**City of Eden Valley
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022**

	Capital Projects			
	Capital Improvement (410)	Police Equipment (421)	Streets and Parks Equipment (431)	2021 Improvement Project (412)
Assets				
Cash and investments	\$ 17,720	\$ 27,432	\$ 184,009	\$ 187,358
Cash Fund Balances				
Cash fund balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	17,720	27,432	184,009	187,358
Total cash fund balances	17,720	27,432	184,009	187,358
Total liabilities and cash fund balances	\$ 17,720	\$ 27,432	\$ 184,009	\$ 187,358

Capital Projects		
Stormwater Maintenance (432)	Friederichs Park Project Fund (451)	Total Governmental Funds
<u>\$ 43,082</u>	<u>\$ 32,852</u>	<u>\$ 1,029,392</u>
-	-	533,014
-	-	3,925
<u>43,082</u>	<u>32,852</u>	<u>492,453</u>
<u>43,082</u>	<u>32,852</u>	<u>1,029,392</u>
<u>\$ 43,082</u>	<u>\$ 32,852</u>	<u>\$ 1,029,392</u>

City of Eden Valley
Combining Statement of Cash Receipts, Disbursements,
and Changes in Cash Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Special Revenue		
	Housing Rehabilitation (225)	Art and Lorraine Henfling Trust (271)	TIF Districts (240, 245, 250 and 280)
Receipts			
General property taxes	\$ -	\$ -	\$ -
Tax increments	-	-	18,105
Special assessments	-	-	-
Intergovernmental	15,540	-	-
Investment earnings	198	68	1,480
Miscellaneous			
Donations and contributions	-	-	-
Refunds and reimbursements	-	-	-
Other	-	-	-
Total receipts	<u>15,738</u>	<u>68</u>	<u>19,585</u>
Disbursements			
Current			
Public safety	-	2,396	-
Public works	-	-	-
Culture and recreation	-	-	-
Economic development	15,586	-	1,950
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay			
Public works	-	-	-
Culture and recreation	-	-	-
Total disbursements	<u>15,586</u>	<u>2,396</u>	<u>1,950</u>
Excess of receipts over (under) disbursements	152	(2,328)	17,635
Other Financing Sources (Uses)			
Bond refunding payment	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash fund balances	152	(2,328)	17,635
Cash Fund Balances			
Beginning of year	<u>13,369</u>	<u>5,353</u>	<u>100,736</u>
End of year	<u>\$ 13,521</u>	<u>\$ 3,025</u>	<u>\$ 118,371</u>

Special Revenue			Debt Service		
Park Dedication (265)	Hawks Athletic Field (290)	Lions Park (295)	2012 MN HWY 22 Improvement (320)	2018 Improvement Bonds (340)	2021C GO and Refunding (360/370)
\$ -	\$ -	\$ -	\$ 739	\$ 8,817	\$ 54,776
-	-	-	-	-	-
-	-	-	1,642	6,578	60,869
-	-	-	-	-	-
1,840	-	-	115	55	(10,067)
-	55,600	21,990	-	-	-
-	500	-	-	-	-
-	-	-	-	-	-
1,840	56,100	21,990	2,496	15,450	105,578
-	-	-	-	-	-
-	-	-	-	-	-
-	53,327	16,990	-	-	-
-	-	-	-	-	-
-	-	-	45,000	13,000	-
-	-	-	14,196	4,389	21,383
-	-	-	-	-	-
-	5,730	-	-	-	-
-	59,057	16,990	59,196	17,389	21,383
1,840	(2,957)	5,000	(56,700)	(1,939)	84,195
-	-	-	(750,000)	-	-
-	-	-	1,187	-	-
-	-	-	-	-	(1,187)
-	-	-	(748,813)	-	(1,187)
1,840	(2,957)	5,000	(805,513)	(1,939)	83,008
132,543	6,349	(4,467)	967,739	20,419	-
\$ 134,383	\$ 3,392	\$ 533	\$ 162,226	\$ 18,480	\$ 83,008

City of Eden Valley
Combining Statement of Cash Receipts, Disbursements
and Changes in Cash Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Capital Projects		
	Capital Improvement (410)	Police Equipment (421)	Streets and Parks Equipment (431)
Receipts			
General property taxes	\$ 7	\$ -	\$ -
Tax increments	-	-	-
Special assessments	-	-	-
Intergovernmental	-	-	-
Investment earnings	243	397	17
Miscellaneous			
Donations and contributions	-	-	-
Refunds and reimbursements	-	-	-
Other	-	-	-
Total receipts	<u>250</u>	<u>397</u>	<u>17</u>
Disbursements			
Current			
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Economic development	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay			
Public works	-	-	-
Culture and recreation	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>
Excess of receipts over (under) disbursements	250	397	17
Other Financing Sources (Uses)			
Bond refunding payment	-	-	-
Transfers in	-	-	35,000
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>35,000</u>
Net change in cash fund balances	250	397	35,017
Cash Fund Balances			
Beginning of year	<u>17,470</u>	<u>27,035</u>	<u>148,992</u>
End of year	<u>\$ 17,720</u>	<u>\$ 27,432</u>	<u>\$ 184,009</u>

Capital Projects

2021 Improvement Project (412)	2018 Street Utility Projects Fund (418)	Stormwater Maintenance (432)	Friederichs Park Project Fund (451)	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 64,339
-	-	-	-	18,105
-	-	-	-	69,089
-	-	-	-	15,540
2,740	-	537	393	(1,984)
-	-	-	10,250	87,840
-	-	-	-	500
8,374	-	-	-	8,374
<u>11,114</u>	<u>-</u>	<u>537</u>	<u>10,643</u>	<u>261,803</u>
-	-	-	-	2,396
6,876	-	-	-	6,876
-	-	-	4,903	75,220
-	-	-	-	17,536
-	-	-	-	58,000
-	-	-	-	39,968
30,618	-	-	-	30,618
-	-	-	-	5,730
<u>37,494</u>	<u>-</u>	<u>-</u>	<u>4,903</u>	<u>236,344</u>
(26,380)	-	537	5,740	25,459
-	-	-	-	(750,000)
-	84,051	5,000	-	125,238
-	(46)	-	-	(1,233)
<u>-</u>	<u>84,005</u>	<u>5,000</u>	<u>-</u>	<u>(625,995)</u>
(26,380)	84,005	5,537	5,740	(600,536)
213,738	(84,005)	37,545	27,112	1,629,928
<u>\$ 187,358</u>	<u>\$ -</u>	<u>\$ 43,082</u>	<u>\$ 32,852</u>	<u>\$ 1,029,392</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

ADDITIONAL SUPPLEMENTARY INFORMATION

City of Eden Valley
Schedule of Accounts Receivable
December 31, 2022

<u>Fund</u>	<u>Source of Revenue</u>	<u>Purpose</u>	<u>Amount</u>
2018 Improvement Bonds	Meeker County	Taxes 2022	\$ 169
2018 Improvement Bonds	Stearns County	Taxes 2022	11
2021C GO and Refunding	Meeker County	Taxes 2022	286
2021C GO and Refunding	Stearns County	Taxes 2022	124
General	Meeker County	Taxes 2022	2,818
General	Stearns County	Taxes 2022	712
General	Eden Valley-Watkins School	Rent	200
General	State of MN - TZD PD	4th Quarter 2022	1,522
General	State of MN Meeker Co Fines	December 2022 Fines	80
General	MN DOT	Snow Removal Reimbursement	2,128
General	Debbie/Dennis Fink	Donation	500
Sewer	Various	Utility billing	21,169
Sewer	PFA	Proceeds	5,317
Water	City of Watkins	Water sales	10,025
Water	PFA	Proceeds	3,449
Water	Various	Utility billing	23,229
Total			<u>\$ 71,739</u>

City of Eden Valley
Schedule of Accounts Payable
December 31, 2022

<u>Fund</u>	<u>Vendor Name</u>	<u>Item and Purpose</u>	<u>Amount</u>
General	Arvig	Services	\$ 900
General	Bolton & Menk	Services	700
General	Eden Valley Lumber	Supplies	38
General	Landscaping Plus	Services	900
General	Motorola solutions	Services	1,990
General	Thielen Excavating	Services	9,579
General	Aramark	Supplies	55
General	Comdata	Services	602
General	Jack's of Eden Valley	Services	645
General	Jack's Oil Distributing	Services	705
General	Meeker County Sheriff	Services	1,000
General	Steve Schmitt	Services	200
General	Wex Health	Services	14
General	Xcel Energy	Services	2,292
General	CenterPoint Energy	Services	2,046
General	Stearns Cty Auditor	Services	24
Business Incentives	Jody Bauer	Services	180
Business Incentives	Lona Brutger	Services	180
Business Incentives	Connie Haag	Services	180
Business Incentives	Sean Schlagen	Services	150
Business Incentives	Steve Schmitt	Services	180
Hawks Athletic Field	CenterPoint Energy	Services	292
2021 Improvement Project	Bolton & Menk	Services	4,405
Water	Arvig	Services	165
Water	Dakota Supply Group	Supplies	8,915
Water	Eden Valley Lumber	Supplies	19
Water	City of Watkins	Services	1,537
Water	Comdata	Services	277
Water	Gopher State One-Call	Services	1
Water	Center Point Energy	Services	475
Sewer	Arvig	Services	134
Sewer	UC Labratory	Services	122
Sewer	Comdata	Services	81
Sewer	Gopher State One-Call	Services	1
Total			<u><u>\$ 38,984</u></u>