

**CITY OF PLAINVIEW, MINNESOTA**  
**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2020**

# CITY OF PLAINVIEW, MINNESOTA

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**MEMBERS OF THE CITY COUNCIL**

Mayor	Roger Ziebell
Council	Adam Daschner
Council	Don Kuschel
Council	Roger Rettmann
Council	Dave Walkes
City Administrator	David Todd
Finance Director/Treasurer	Vicki Axley
City Clerk	Carol Kujath

## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
Plainview, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Plainview (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year summary comparative information has been derived from the City's 2019 financial statements and, in our report dated June 30, 2020, we expressed unmodified opinions on the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 basic 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 entity'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 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.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plainview, Minnesota, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 11 and the budgetary comparison information and schedules of proportionate share of pension liability and contributions on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Plainview, Minnesota's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
June 17, 2021

**CITY OF PLAINVIEW, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the City of Plainview, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020.

### Financial Highlights

- The City had two projects in process in 2020:
  - 2018 Downtown Surface & Lighting Project
  - 2020 Street Improvement Project
- The City issued \$2,630,000 in Utility Revenue Bonds for the 2020 Street Project.
- The City sold their municipally-owned liquor store to a private party and ceased liquor operations in September 2020.
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$15,204,965 (net position). Of this amount, \$5,389,696 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,773,081, as compared to an increase of \$1,071,697 in the prior year. The current year increase is attributable to governmental activities net position increasing \$2,052,585 and business-type activities net position decreasing \$279,504.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,008,288, an decrease of \$102,579. A large part of the decrease is from 750,978 in capital outlays in the 2018 Downtown Project Fund.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$1,290,482, or 47.31 percent of total General fund expenditures. While these funds are not legally reserved, they are designated for future purposes.
- The City's total debt increased by \$1,465,000, or 47.67 percent during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

### Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and highway, culture and recreation, economic development, cemetery and miscellaneous. The business-type activities of the City include water, sewer utilities and a municipal liquor store operation.

The government-wide financial statements can be found on pages 12-13 of this report.



## Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Street Project, and 2018 Downtown Project, Debt Service, and 2020 Street Project funds which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General and certain special revenue and other funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

**Proprietary funds.** The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility and municipal liquor store operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-43 of this report.

## Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 47-63 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$15,204,965 at the close of the most recent fiscal year.

A large portion of the City's net position (59 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and						
other assets	\$ 4,145,762	\$ 4,293,990	\$ 3,855,387	\$ 4,386,750	\$ 8,001,149	\$ 8,680,740
Capital assets	10,636,030	6,724,229	2,888,500	3,108,068	13,524,530	9,832,297
Deferred outflows	353,751	496,456	51,198	229,759	404,949	726,215
Total assets and deferred outflows	15,135,543	11,514,675	6,795,085	7,724,577	21,930,628	19,239,252
Long-term liabilities						
outstanding	4,368,842	2,790,336	239,191	376,300	4,608,033	3,166,636
Net pension liability	1,097,473	869,463	158,836	402,387	1,256,309	1,271,850
Other liabilities	161,112	192,103	200,140	234,609	361,252	426,712
Deferred inflows	436,845	644,087	63,224	298,083	500,069	942,170
Total liabilities and Deferred inflows	6,064,272	4,495,989	661,391	1,311,379	6,725,663	5,807,368
Net investment in capital assets	6,328,030	4,002,229	2,658,078	2,756,646	8,986,108	6,758,875
Restricted	829,161	1,668,688			829,161	1,668,688
Unrestricted	1,914,080	1,347,769	3,475,616	3,656,552	5,389,696	5,004,321
Total net position	\$ 9,071,271	\$ 7,018,686	\$ 6,133,694	\$ 6,413,198	\$ 15,204,965	\$ 13,431,884

An additional portion of the City's net position (5.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position for the City as a whole and for each of the business-type activities and most of the governmental activities.

**Governmental Activities.** Governmental activities increased the City's net position by \$2,052,585 thereby accounting for 116% of the total growth in the net position of the City.

### Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 190,073	\$ 316,407	\$ 2,791,822	\$ 3,124,335	\$ 2,981,895	\$ 3,440,742
Operating grants and contributions	309,422	272,741			309,422	272,741
General revenues						
Property taxes/ tax increments	2,450,967	2,364,499			2,450,967	2,364,499
Other taxes						
Grants and contributions not restricted to specific programs	1,206,338	865,091			1,206,338	865,091
Unrestricted investment earnings	88,060	125,378	58,028	49,828	146,088	175,206
gain on sale of fixed assets	-	-	424,499	-	424,499	-
other revenue	2,468	-	-	-	2,468	-
<b>Total revenues</b>	<b>4,247,328</b>	<b>3,944,116</b>	<b>3,274,349</b>	<b>3,174,163</b>	<b>7,521,677</b>	<b>7,118,279</b>
<b>Expenses</b>						
General government	1,112,537	645,165			1,112,537	645,165
Public safety	1,089,379	1,313,001			1,089,379	1,313,001
Streets and highways	707,937	705,247			707,937	705,247
Culture and recreation	588,981	593,529			588,981	593,529
Economic development	119,201	280,945			119,201	280,945
Cemetery and miscellaneous	56,017	45,826			56,017	45,826
Interest on long-term debt	113,214	78,902			113,214	78,902
Water utility			268,186	297,238	268,186	297,238
Sewer utility			973,104	955,849	973,104	955,849
Municipal liquor store			720,040	1,130,880	720,040	1,130,880
<b>Total expenses</b>	<b>3,787,266</b>	<b>3,662,615</b>	<b>1,961,330</b>	<b>2,383,967</b>	<b>5,748,596</b>	<b>6,046,582</b>
Change in net position	460,062	281,501	1,313,019	790,196	1,773,081	1,071,697
Net position - January 1	7,018,686	6,738,098	6,413,198	5,622,089	13,431,884	12,360,187
Transfers	1,592,523	(913)	(1,592,523)	913	-	-
Net position - December 31	<b>\$ 9,071,271</b>	<b>\$ 7,018,686</b>	<b>\$ 6,133,694</b>	<b>\$ 6,413,198</b>	<b>\$ 15,204,965</b>	<b>\$ 13,431,884</b>

**Business-type Activities.** Business-type activities decreased the City's net position by \$279,504. Key elements of this increase are as follows:

- The Water fund had a net income of \$57,450 and the Sewer fund had a net loss of \$76,782
- The Liquor fund had a net loss of \$260,172. The gross profit percentage for the current year was 33.6 percent, compared to 35.5 percent in the prior year. The Liquor Store On-Sale operations were closed for several months due to the COVID pandemic. The entire liquor operations were sold to a private party in September 2020.

## Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,008,288 a decrease of \$102,579 in comparison with the prior year. Approximately \$2,324,645 constitutes assigned or *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is nonspendable, restricted or committed to indicate that it is not available for current spending. A large part of the decrease is from capital outlays of \$750,978 related to the 2018 Downtown Project.

The General fund is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund was \$1,825,396, of which \$1,290,482 was unassigned. As a measure of the General fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 66.9 percent of fund expenditures.

The 2018 Downtown Project fund has a total balance of \$80,467 and a net decrease in fund balance during the current year of \$946,695. The decrease is attributed to the project nearing completion.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,475,616. The total decrease in net position for the funds was \$279,504. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$13,524,530 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads and highways. The total increase in the City's investment in capital assets for the current fiscal year was \$3,692,233.

### Capital Assets Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 86,382	\$ 86,382	\$ 10,250	\$ 28,926	\$ 96,632	\$ 115,308
Buildings and improvements	2,607,485	2,564,191	-	207,071	2,607,485	2,771,262
Systems and infrastructure	2,845,585	2,949,312	2,848,011	2,820,626	5,693,596	5,769,938
Equipment and machinery	1,263,046	796,788	30,239	51,445	1,293,285	848,233
Construction in progress	3,833,532	327,556	-	-	3,833,532	327,556
Total	\$ 10,636,030	\$ 6,724,229	\$ 2,888,500	\$ 3,108,068	\$ 13,524,530	\$ 9,832,297

### Outstanding Debt

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$3,073,422 of which \$2,722,000 was general obligation debt and \$351,422 was general obligation revenue bonds. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 4,308,000	\$ 2,722,000	\$	\$	\$ 4,308,000	\$ 2,722,000
General obligation revenue bonds			230,422	351,422	230,422	351,422
Total	\$ 4,308,000	\$ 2,722,000	\$ 230,422	\$ 351,422	\$ 4,538,422	\$ 3,073,422

The City's total debt increased by \$1,465,000, or 47.67 percent during the current fiscal year.

### Separately Issued Financial Statements for Component Unit

Separate financial statements for the Economic Development Authority, a component unit, can be found on pages 64-65.

### Economic Factors

2020 marked a difficult year with the COVID pandemic impacting local government, local businesses and our residents. In spite of this, market values in Plainview remained strong and unemployment rates remained low. The City continues to work in conjunction with the Plainview EDA to bring new businesses and jobs to the community as well as help existing businesses grow and expand. The City contributed \$43,379 in small business relief to businesses that were negatively impacted by COVID closures and restrictions.

Affordable residential housing continues to be a concern but growth in the East Winds II Subdivision and Orchard Hills Subdivision continues to help the community's housing shortage. Future development projects are also in the planning stages.

### Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Plainview, 241 West Broadway Plainview, MN 55964-1253.

**CITY OF PLAINVIEW, MINNESOTA**

**BASIC  
FINANCIAL STATEMENTS**

**CITY OF PLAINVIEW, MINNESOTA**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Authority
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,787,888	\$ 2,620,033	\$ 5,407,921	\$ 82,892
Investments	1,314,015	1,047,108	2,361,123	-
Receivables				
Interest	8,208	-	8,208	-
Delinquent taxes	22,411	-	22,411	-
Accounts, net	3,474	188,246	191,720	-
Notes/leases	-	-	-	103,571
Intergovernmental	9,766		9,766	-
Capital assets not being depreciated				
Land	86,382	10,250	96,632	15,798
Construction in progress	3,833,532	-	3,833,532	-
Capital assets (net of accumulated depreciation)				
Buildings and improvements	2,607,485	-	2,607,485	122,885
Systems and infrastructure	2,845,585	2,848,011	5,693,596	-
Equipment and machinery	1,263,046	30,239	1,293,285	4,277
<b>TOTAL ASSETS</b>	<b>14,781,792</b>	<b>6,743,887</b>	<b>21,525,679</b>	<b>329,423</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>353,751</b>	<b>51,198</b>	<b>404,949</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$15,135,543</u></b>	<b><u>\$ 6,795,085</u></b>	<b><u>\$21,930,628</u></b>	<b><u>\$ 329,423</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 57,119	\$ 196,636	\$ 253,755	\$ -
Due to other governments	-	-	-	-
Accrued interest payable	46,049	1,838	47,887	-
Unearned revenue	9,300	-	9,300	-
Accrued wages payable	18,644	1,666	20,310	-
Accrued contingent liability	30,000	-	30,000	-
Noncurrent liabilities				
Due within one year	314,084	79,000	393,084	-
Due in more than one year	4,054,758	160,191	4,214,949	-
Net pension liability	1,097,473	158,836	1,256,309	-
<b>TOTAL LIABILITIES</b>	<b>5,627,427</b>	<b>598,167</b>	<b>6,225,594</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>436,845</b>	<b>63,224</b>	<b>500,069</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	6,328,030	2,658,078	8,986,108	142,960
Restricted - expendable	725,193	-	725,193	-
Restricted - nonexpendable	103,968	-	103,968	186,463
Unrestricted	1,914,080	3,475,616	5,389,696	-
<b>TOTAL NET POSITION</b>	<b>9,071,271</b>	<b>6,133,694</b>	<b>15,204,965</b>	<b>329,423</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$15,135,543</u></b>	<b><u>\$ 6,795,085</u></b>	<b><u>\$21,930,628</u></b>	<b><u>\$ 329,423</u></b>

The notes to the financial statements are an integral part of these statements.



**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								Economic Development Authority
Governmental Activities								
General government	\$ 1,112,537	\$ -	\$ -	\$ -	\$ (1,112,537)		\$ (1,112,537)	
Public safety	1,089,379	88,316	188,036	-	(813,027)		(813,027)	
Streets and highways	707,937	48,631	44,474	-	(614,832)		(614,832)	
Culture and recreation	588,981	9,555	72,912	-	(506,514)		(506,514)	
Economic development	119,201	25,194	-	-	(94,007)		(94,007)	
Cemetery and miscellaneous	56,017	18,377	4,000	-	(33,640)		(33,640)	
Interest and other	113,214	-	-	-	(113,214)		(113,214)	
Total Governmental Activities	<u>3,787,266</u>	<u>190,073</u>	<u>309,422</u>	<u>-</u>	<u>(3,287,771)</u>		<u>(3,287,771)</u>	
Business-Type Activities								
Water	268,186	761,295	-	-	-	493,109	493,109	
Sewer	973,104	1,281,551	-	-	-	308,447	308,447	
Liquor	720,040	748,976	-	-	-	28,936	28,936	
Total Business-Type Activities	<u>1,961,330</u>	<u>2,791,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>830,492</u>	<u>830,492</u>	
<b>Total Primary Government</b>	<b><u>\$ 5,748,596</u></b>	<b><u>\$ 2,981,895</u></b>	<b><u>\$ 309,422</u></b>	<b><u>\$ -</u></b>	<b><u>(3,287,771)</u></b>	<b><u>830,492</u></b>	<b><u>(2,457,279)</u></b>	
<b>Component Unit</b>								
Economic Development Authority	<b><u>\$ 88,464</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 88,269</u></b>	<b><u>\$ -</u></b>				<u>\$ (195)</u>
General Revenue								
Property taxes, levied for general purposes					1,987,504	-	1,987,504	-
Property taxes, levied for debt service					288,915	-	288,915	-
Tax increments					174,548	-	174,548	-
Grants and contributions not restricted to specific programs					1,206,338	-	1,206,338	-
Unrestricted investment earnings					88,060	58,028	146,088	87
Gain on sale of fixed assets					-	424,499	424,499	-
Other revenue					2,468	-	2,468	5,287
Transfers					<u>1,592,523</u>	<u>(1,592,523)</u>	<u>-</u>	<u>-</u>
Total General Revenue and Transfers					<u>5,340,356</u>	<u>(1,109,996)</u>	<u>4,230,360</u>	<u>5,374</u>
Change in Net Position					2,052,585	(279,504)	1,773,081	5,179
Net Position, January 1					<u>7,018,686</u>	<u>6,413,198</u>	<u>13,431,884</u>	<u>324,244</u>
<b>Net Position, December 31</b>					<b><u>\$ 9,071,271</u></b>	<b><u>\$ 6,133,694</u></b>	<b><u>\$ 15,204,965</u></b>	<b><u>\$ 329,423</u></b>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**

**FUND  
FINANCIAL STATEMENTS**

**CITY OF PLAINVIEW, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	General	Street Improvement Fund	2018 Downtown Project Fund	Debt Service	2020 Street Project Fund	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,540,281	\$ 196,268	\$ 81,913	\$ 324,150	\$ -	\$ 645,276	\$ 2,787,888
Investments	349,996	860,051	-	-	-	103,968	1,314,015
Receivables				-			
Interest	8,208	-	-	-	-	-	8,208
Delinquent taxes	22,411	-	-	-	-	-	22,411
Accounts, net	3,078	-	-	-	-	396	3,474
Intergovernmental	9,766	-	-	-	-	-	9,766
<b>TOTAL ASSETS</b>	<b>\$ 1,933,740</b>	<b>\$ 1,056,319</b>	<b>\$ 81,913</b>	<b>\$ 324,150</b>	<b>\$ -</b>	<b>\$ 749,640</b>	<b>\$ 4,145,762</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 30,258	\$ -	\$ 1,446	\$ -	\$ 23,191	\$ 2,224	\$ 57,119
Unearned revenue	9,300	-	-	-	-	-	9,300
Accrued wages payable	16,375	-	-	-	-	2,269	18,644
Accrued contingent liability	30,000	-	-	-	-	-	30,000
<b>TOTAL LIABILITIES</b>	<b>85,933</b>	<b>-</b>	<b>1,446</b>	<b>-</b>	<b>23,191</b>	<b>4,493</b>	<b>115,063</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>22,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,411</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	-	-	-	103,968	103,968
Restricted	132,311	-	80,467	324,150	-	188,265	725,193
Committed	401,568	-	-	-	-	452,914	854,482
Assigned	1,035	-	-	-	-	-	1,035
Unassigned	1,290,482	1,056,319	-	-	(23,191)	-	2,323,610
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>1,825,396</b>	<b>1,056,319</b>	<b>80,467</b>	<b>324,150</b>	<b>(23,191)</b>	<b>745,147</b>	<b>4,008,288</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,933,740</b>	<b>\$ 1,056,319</b>	<b>\$ 81,913</b>	<b>\$ 324,150</b>	<b>\$ -</b>	<b>\$ 749,640</b>	<b>\$ 4,145,762</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

Total fund balances - governmental funds	\$ 4,008,288
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in the funds.	10,636,030
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported as liabilities in the funds.	
Deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in the fund statements.	(83,094)
Long-term liabilities at year-end consist of:	
Bonds payable	(4,308,000)
Compensated absences payable	(60,842)
Pension obligations payable	(1,097,473)
Long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.	
Delinquent property taxes receivable	22,411
Governmental funds do not report a liability for accrued interest until due and payable	<u>(46,049)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ 9,071,271</u></b>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	General	Street Improvement Fund	2018 Downtown Project Fund	Debt Service	2020 Street Project Fund	Nonmajor Governmental Funds	Totals
<b>REVENUE</b>							
Taxes	\$ 1,228,373	\$ 174,416	\$ -	\$ 288,915	\$ -	\$ 796,706	\$ 2,488,410
Licenses and permits	47,781	-	-	-	-	-	47,781
Intergovernmental	1,139,348	-	-	-	-	89,653	1,229,001
Charges for services	91,272	-	-	-	-	66,629	157,901
Fines and forfeitures	8,961	-	-	-	-	272	9,233
Investment earnings	56,100	30,262	-	-	-	1,698	88,060
Miscellaneous	67,364	-	44,474	-	-	100,829	212,667
<b>TOTAL REVENUE</b>	<b>2,639,199</b>	<b>204,678</b>	<b>44,474</b>	<b>288,915</b>	<b>-</b>	<b>1,055,787</b>	<b>4,233,053</b>
<b>EXPENDITURES</b>							
Current							
General government	764,717	-	-	-	-	-	764,717
Public safety	958,145	-	-	-	-	92,986	1,051,131
Streets and highways	404,642	-	199,087	-	490	6,443	610,662
Culture and recreation	-	-	-	-	-	417,506	417,506
Economic development	48,500	-	-	-	-	62,638	111,138
Cemetery	-	-	-	-	-	39,417	39,417
Miscellaneous	15,800	-	-	-	-	-	15,800
Capital outlay							
General government	5,500	-	-	-	-	236,946	242,446
Public safety	125,310	-	-	-	-	-	125,310
Streets and highways	404,533	-	750,978	-	2,762,153	-	3,917,664
Culture and recreation	-	-	-	-	-	126,003	126,003
Debt service							
Principal	-	-	-	1,044,000	-	-	1,044,000
Interest and other charges	-	-	-	67,886	24,475	-	92,361
Other services	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,727,147</b>	<b>-</b>	<b>950,065</b>	<b>1,111,886</b>	<b>2,787,118</b>	<b>981,939</b>	<b>8,558,155</b>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<b>(87,948)</b>	<b>204,678</b>	<b>(905,591)</b>	<b>(822,971)</b>	<b>(2,787,118)</b>	<b>73,848</b>	<b>(4,325,102)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	-	-	2,630,000	-	2,630,000
Transfers in	1,161,013	-	-	689,460	182,848	181,847	2,215,168
Transfers (out)	(33,358)	-	(41,104)	-	-	(548,183)	(622,645)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,127,655</b>	<b>-</b>	<b>(41,104)</b>	<b>689,460</b>	<b>2,812,848</b>	<b>(366,336)</b>	<b>4,222,523</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,039,707</b>	<b>204,678</b>	<b>(946,695)</b>	<b>(133,511)</b>	<b>25,730</b>	<b>(292,488)</b>	<b>(102,579)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>553,192</b>	<b>851,641</b>	<b>1,027,162</b>	<b>457,661</b>	<b>-</b>	<b>1,221,211</b>	<b>4,110,867</b>
<b>EQUITY TRANSFER</b>	<b>232,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,921)</b>	<b>(183,576)</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<b>\$ 1,825,396</b>	<b>\$ 1,056,319</b>	<b>\$ 80,467</b>	<b>\$ 324,150</b>	<b>\$ (23,191)</b>	<b>\$ 745,147</b>	<b>\$ 4,008,288</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$ (102,579)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.

Capital outlay	4,411,423
Depreciation expense	(473,613)
Items not capitalized on statement of activities	(26,009)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments	1,044,000
Bonds issued	(2,630,000)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(20,853)

Certain revenue is recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenue cannot be recognized until it is available to liquidate liabilities of the current period.

Property taxes	6,195
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense	(163,473)
Compensated absences	7,494

<b>Change in net position - governmental activities</b>	<b><u>\$ 2,052,585</u></b>
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The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020 AND 2019**

	Business-Type Activities - Enterprise Funds							
	<b>601 Water</b>		<b>602 Sewer</b>		<b>609 Liquor</b>		<b>Totals</b>	
	2020	2019	2020	2019	2020	2019	2020	2019
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>								
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	\$ 1,367,173	\$ 1,096,108	\$ 1,252,860	\$ 1,036,992	\$ -	\$ 83,154	\$ 2,620,033	\$ 2,216,254
Investments	-	216,811	1,047,108	1,400,944	-	280,332	1,047,108	1,898,087
Accounts receivable, net	72,020	69,996	116,226	105,438	-	-	188,246	175,434
Inventories	-	-	-	-	-	96,975	-	96,975
<b>TOTAL CURRENT ASSETS</b>	<u>1,439,193</u>	<u>1,382,915</u>	<u>2,416,194</u>	<u>2,543,374</u>	<u>-</u>	<u>460,461</u>	<u>3,855,387</u>	<u>4,386,750</u>
<b>NONCURRENT ASSETS</b>								
Capital assets, at cost								
Land	10,250	10,250	-	-	-	18,676	10,250	28,926
Buildings and improvements	-	-	-	-	-	270,465	-	270,465
Systems and infrastructure	3,980,067	3,980,067	640,449	640,449	-	-	4,620,516	4,620,516
Equipment and machinery	229,453	229,453	13,422	13,422	-	91,513	242,875	334,388
Less accumulated depreciation	(1,768,779)	(1,678,373)	(216,362)	(203,968)	-	(263,886)	(1,985,141)	(2,146,227)
<b>Total capital assets (net of accumulated depreciation)</b>	<u>2,450,991</u>	<u>2,541,397</u>	<u>437,509</u>	<u>449,903</u>	<u>-</u>	<u>116,768</u>	<u>2,888,500</u>	<u>3,108,068</u>
<b>TOTAL ASSETS</b>	<u>3,890,184</u>	<u>3,924,312</u>	<u>2,853,703</u>	<u>2,993,277</u>	<u>-</u>	<u>577,229</u>	<u>6,743,887</u>	<u>7,494,818</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>23,938</u>	<u>43,957</u>	<u>27,260</u>	<u>52,996</u>	<u>-</u>	<u>132,806</u>	<u>51,198</u>	<u>229,759</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 3,914,122</b></u>	<u><b>\$ 3,968,269</b></u>	<u><b>\$ 2,880,963</b></u>	<u><b>\$ 3,046,273</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 710,035</b></u>	<u><b>\$ 6,795,085</b></u>	<u><b>\$ 7,724,577</b></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u></b>								
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 4,062	\$ 8,508	\$ 192,574	\$ 196,390	\$ -	\$ 16,919	\$ 196,636	\$ 221,817
Due to other governments	-	-	-	-	-	9,616	-	9,616
Accrued interest payable	1,838	2,701	-	101	-	-	1,838	2,802
Accrued wages and taxes payable	752	374	914	-	-	-	1,666	374
Bonds payable - current portion	79,000	77,000	-	44,000	-	-	79,000	121,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>85,652</u>	<u>88,583</u>	<u>193,488</u>	<u>240,491</u>	<u>-</u>	<u>26,535</u>	<u>279,140</u>	<u>355,609</u>
<b>NONCURRENT LIABILITIES</b>								
Compensated absences payable - noncurrent	1,255	734	7,514	5,704	-	18,440	8,769	24,878
Net pension liability	74,265	76,984	84,571	92,814	-	232,589	158,836	402,387
Bonds payable - noncurrent	151,422	230,422	-	-	-	-	151,422	230,422
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>226,942</u>	<u>308,140</u>	<u>92,085</u>	<u>98,518</u>	<u>-</u>	<u>251,029</u>	<u>319,027</u>	<u>657,687</u>
<b>TOTAL LIABILITIES</b>	<u>312,594</u>	<u>396,723</u>	<u>285,573</u>	<u>339,009</u>	<u>-</u>	<u>277,564</u>	<u>598,167</u>	<u>1,013,296</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>29,561</u>	<u>57,029</u>	<u>33,663</u>	<u>68,755</u>	<u>-</u>	<u>172,299</u>	<u>63,224</u>	<u>298,083</u>
<b>NET POSITION</b>								
Net investment in capital assets	2,220,569	2,233,975	437,509	405,903	-	116,768	2,658,078	2,756,646
Unrestricted	1,351,398	1,280,542	2,124,218	2,232,606	-	143,404	3,475,616	3,656,552
<b>TOTAL NET POSITION</b>	<u>3,571,967</u>	<u>3,514,517</u>	<u>2,561,727</u>	<u>2,638,509</u>	<u>-</u>	<u>260,172</u>	<u>6,133,694</u>	<u>6,413,198</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><b>\$ 3,914,122</b></u>	<u><b>\$ 3,968,269</b></u>	<u><b>\$ 2,880,963</b></u>	<u><b>\$ 3,046,273</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 710,035</b></u>	<u><b>\$ 6,795,085</b></u>	<u><b>\$ 7,724,577</b></u>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Business-Type Activities - Enterprise Funds							
	601 Water		602 Sewer		609 Liquor		Totals	
	2020	2019	2020	2019	2020	2019	2020	2019
OPERATING REVENUE								
Charges for services	\$ 586,555	\$ 554,240	\$ 1,260,484	\$ 1,272,561	\$ -	\$ -	\$ 1,847,039	\$ 1,826,801
Sales	-	-	-	-	735,130	1,095,565	735,130	1,095,565
Cost of sales	-	-	-	-	(488,407)	(706,432)	(488,407)	(706,432)
TOTAL OPERATING REVENUE	<u>586,555</u>	<u>554,240</u>	<u>1,260,484</u>	<u>1,272,561</u>	<u>246,723</u>	<u>389,133</u>	<u>2,093,762</u>	<u>2,215,934</u>
OPERATING EXPENSES								
Salaries and benefits	66,196	70,957	78,486	118,801	124,591	281,931	269,273	471,689
Supplies and repairs	31,961	58,993	88,138	21,450	27,662	47,951	147,761	128,394
Other services and charges	30,804	23,302	781,941	786,754	51,446	49,362	864,191	859,418
Insurance	8,226	6,602	4,836	3,723	12,196	10,762	25,258	21,087
Utilities	34,629	38,095	6,200	8,858	15,764	20,612	56,593	67,565
Depreciation	90,406	90,406	12,394	14,045	-	13,922	102,800	118,373
TOTAL OPERATING EXPENSES	<u>262,222</u>	<u>288,355</u>	<u>971,995</u>	<u>953,631</u>	<u>231,659</u>	<u>424,540</u>	<u>1,465,876</u>	<u>1,666,526</u>
OPERATING INCOME (LOSS)	<u>324,333</u>	<u>265,885</u>	<u>288,489</u>	<u>318,930</u>	<u>15,064</u>	<u>(35,407)</u>	<u>627,886</u>	<u>549,408</u>
NONOPERATING REVENUE (EXPENSES)								
Connection fees	7,969	5,000	8,000	5,000	-	-	15,969	10,000
Other income	154,198	153,399	13,067	351	424,861	327	592,126	154,077
Investment earnings	466	4,065	50,895	36,155	6,667	9,608	58,028	49,828
Rental income	12,573	12,573	-	-	13,510	25,411	26,083	37,984
Interest and other expense	(5,964)	(8,883)	(1,109)	(2,218)	-	-	(7,073)	(11,101)
TOTAL NONOPERATING REVENUE	<u>169,242</u>	<u>166,154</u>	<u>70,853</u>	<u>39,288</u>	<u>445,038</u>	<u>35,346</u>	<u>685,133</u>	<u>240,788</u>
OPERATING TRANSFER (OUT) IN	<u>(436,125)</u>	<u>(29)</u>	<u>(436,124)</u>	<u>(30)</u>	<u>(720,274)</u>	<u>972</u>	<u>(1,592,523)</u>	<u>913</u>
CHANGE IN NET POSITION	57,450	432,010	(76,782)	358,188	(260,172)	911	(279,504)	791,109
NET POSITION, JANUARY 1	<u>3,514,517</u>	<u>3,082,507</u>	<u>2,638,509</u>	<u>2,280,321</u>	<u>260,172</u>	<u>259,261</u>	<u>6,413,198</u>	<u>5,622,089</u>
NET POSITION, DECEMBER 31	<u>\$ 3,571,967</u>	<u>\$ 3,514,517</u>	<u>\$ 2,561,727</u>	<u>\$ 2,638,509</u>	<u>\$ -</u>	<u>\$ 260,172</u>	<u>\$ 6,133,694</u>	<u>\$ 6,413,198</u>

The notes to the financial statements are an integral part of these statements.



**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Business-Type Activities - Enterprise Funds							
	601 Water		602 Sewer		609 Liquor		Totals	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 592,500	\$ 530,209	\$ 1,249,696	\$ 1,275,133	\$ 638,155	\$ 1,095,565	\$ 2,480,351	\$ 2,900,907
Payments to suppliers and vendors	(110,066)	(118,622)	(902,530)	(802,221)	(583,374)	(848,690)	(1,595,970)	(1,769,533)
Payments to and on behalf of employees	(75,465)	(86,406)	(75,762)	(119,229)	(143,031)	(218,897)	(294,258)	(424,532)
Other receipts	166,771	165,972	21,067	5,351	71,342	25,738	259,180	197,061
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>573,740</b>	<b>491,153</b>	<b>292,471</b>	<b>359,034</b>	<b>(16,908)</b>	<b>53,716</b>	<b>849,303</b>	<b>903,903</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Sale of (acquisition) disposition of capital assets	-	(158,135)	-	(4,613)	367,029	(19,663)	367,029	(182,411)
Net proceeds (to) from other funds	(436,125)	(29)	(436,124)	(30)	(720,274)	972	(1,592,523)	913
Principal paid on long-term debt	(77,000)	(76,000)	(44,000)	(40,000)	-	-	(121,000)	(116,000)
Interest and fiscal charges paid	(6,827)	(8,728)	(1,210)	(2,310)	-	-	(8,037)	(11,038)
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(519,952)</b>	<b>(242,892)</b>	<b>(481,334)</b>	<b>(46,953)</b>	<b>(353,245)</b>	<b>(18,691)</b>	<b>(1,354,531)</b>	<b>(308,536)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received on cash and investments	466	4,065	50,895	36,155	6,667	9,608	58,028	49,828
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>54,254</b>	<b>252,326</b>	<b>(137,968)</b>	<b>348,236</b>	<b>(363,486)</b>	<b>44,633</b>	<b>(447,200)</b>	<b>645,195</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>1,312,919</b>	<b>1,060,593</b>	<b>2,437,936</b>	<b>2,089,700</b>	<b>363,486</b>	<b>318,853</b>	<b>4,114,341</b>	<b>3,469,146</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,367,173</b>	<b>\$ 1,312,919</b>	<b>\$ 2,299,968</b>	<b>\$ 2,437,936</b>	<b>\$ -</b>	<b>\$ 363,486</b>	<b>\$ 3,667,141</b>	<b>\$ 4,114,341</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>								
Operating income (loss)	\$ 324,333	\$ 265,885	\$ 288,489	\$ 318,930	\$ 15,064	\$ (35,407)	\$ 627,886	\$ 549,408
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Other income related to operations	174,740	170,972	21,067	5,351	438,371	25,738	634,178	202,061
Depreciation	90,406	90,406	12,394	14,045	-	13,922	102,800	118,373
(Increase) decrease in assets:								
Accounts receivable	(2,024)	(29,031)	(10,788)	2,572	-	-	(12,812)	(26,459)
Capital assets	-	-	-	-	116,768	-	116,768	-
Inventories	-	-	-	-	96,975	(18,545)	96,975	(18,545)
(Decrease) increase in liabilities:								
Accounts payable	(4,446)	8,370	(3,816)	(6,880)	(16,919)	4,441	(25,181)	5,931
Due to other governments	-	-	-	-	(9,616)	533	(9,616)	533
Accrued wages payable	378	(2,610)	914	(2,009)	-	(5,918)	1,292	(10,537)
Compensated absences payable	521	(4,713)	1,810	1,581	(18,440)	927	(16,109)	(2,205)
Pension related accounts	(10,168)	(8,126)	(17,599)	25,444	(272,082)	68,025	(299,849)	85,343
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 573,740</b>	<b>\$ 491,153</b>	<b>\$ 292,471</b>	<b>\$ 359,034</b>	<b>\$ 350,121</b>	<b>\$ 53,716</b>	<b>\$ 1,216,332</b>	<b>\$ 903,903</b>
<b><u>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</u></b>								
Cash and equivalents	\$ 1,367,173	\$ 1,096,108	\$ 1,252,860	\$ 1,036,992	\$ -	\$ 83,154	\$ 2,620,033	\$ 2,216,254
Investments	-	216,811	1,047,108	1,400,944	-	280,332	1,047,108	1,898,087
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 1,367,173</b>	<b>\$ 1,312,919</b>	<b>\$ 2,299,968</b>	<b>\$ 2,437,936</b>	<b>\$ -</b>	<b>\$ 363,486</b>	<b>\$ 3,667,141</b>	<b>\$ 4,114,341</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 - Summary of Significant Accounting Policies**

The financial statements of the City of Plainview, Minnesota (the "City") have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's policies are described below.

**Reporting City**

The City of Plainview (the City) operates under "Optional Plan A" as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and a four-member Council. The Council exercises legislative authority and determines all matters of policy. The Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government.

The City's basic financial statements include the Economic Development Authority, a component unit, as defined in GASB 14 and amended by GASB 39 and GASB 61. The criterion for including a legally separate organization as a component unit is the degree of financial accountability and fiscal dependency the City has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting City as a component unit.

**Component Unit**

The City has one entity it considers a component unit, the Economic Development Authority which was organized to promote economic development within the City. The City makes an annual contribution to the EDA otherwise the EDA is autonomous from the City. The City includes the component unit in their statements due to the revenue relationship. Individual statements of the EDA can be found on pages 64 and 65 of this report.

**Basis of Presentation**

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

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

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

The City reports the following major governmental funds:

*General Fund* - is used for all financial activity that is not required to be accounted for in another fund. This is the City's primary operating fund.

*The Street Improvement Fund* - accounts for the street improvement reserves and future street projects.

*The 2018 Downtown Project Fund* - accounts for the activity for the downtown improvement project.

*Debt Service Fund* - accounts for the cash reserves used to pay for the City's debt.

*The 2020 Street Project Fund* - accounts for activity relating to 2020 street projects.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The City reports the following major proprietary funds:

*Water Utility* - accounts for operations of the water system.

*Sewer Utility* - accounts for operations of the sewer system.

*Liquor Store* - accounts for operations of the liquor store.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be *available* if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

Property taxes, franchise taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred inflows arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as deferred inflows. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred inflows in the fund financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Assets, Liabilities and Net Position or Equity Deposits and Investments**

**Cash and Cash Equivalents** - 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.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated if material on the basis of applicable participation by each of the funds.

The City may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed investment contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investments for the City are reported at fair value. The broker money market accounts operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

**Property Taxes** - The Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and November each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow liability for delinquent taxes not received within 60 days after year end in the fund financial statements.

**Accounts Receivable** - Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2020. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts at December 31, 2020 was \$1,735 for the General Fund and \$4,307 for the Water and Sewer Enterprise Funds of the City.

**Interfund Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**Inventories** - All inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Prepays** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial estimated cost of \$500 and a useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis subsequent to January 1, 2004. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose not to include items dating back to June 30, 1980. The City was unable to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period after January 1, 2004, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the estimated fair value of the item at the date of its donation. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Other improvements	10 - 20 years
Buildings and improvements	10 - 50 years
Infrastructure	40 - 60 years
Machinery and equipment	5 - 20 years
Vehicles	4 years

**Compensated Absences** - It is the City's policy to permit certain employees to accumulate earned but unused paid time off (PTO) at various rates based on longevity. These compensated absences are paid to an employee leaving in good standing at their current rate of pay not to exceed 500 hours. PTO will also be paid at their current hourly rate in an amount not to exceed 500 hours when employees separate from service with the City. All PTO is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the most part, the General fund is typically used to liquidate governmental compensated absences payable.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Long-Term Obligations** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, when material, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position Classifications** - Net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. *Net Investment in Capital Assets* - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. *Restricted Net Position* - Consist of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. *Unrestricted Net Position* - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**NOTE 2 - Fund Balances - Governmental Funds**

**Comparative Data/Reclassifications** - Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

As of these financial statements, the City has adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. Fund balances are classified as follows:

*Nonspendable* - Amounts that cannot be spent either because they are not in a spendable form (such as inventory) or because they are legally or contractually required to be maintained intact.

*Restricted* - Amounts that can be spent only for specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed* - Amounts that are constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 2 - Fund Balances - Governmental Funds - Continued**

*Assigned* - Amounts that the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates authority.

*Unassigned* - Amounts that are available for any purpose. Positive amounts are reported only in the general fund due to the restrictive nature of the other funds.

The City would typically use restricted fund balances first, followed by the committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

At December 31, 2020, fund balances are composed of the following:

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Nonspendable:			
Donor Restricted Donations	\$ -	\$ 103,968	\$ 103,968
Restricted:			
Debt Service	-	324,150	324,150
Capital Projects	-	80,467	80,467
Other Purposes	132,311	188,265	320,576
Committed:			
Public Safety	-	193,151	193,151
Capital Projects	-	259,763	259,763
Housing	401,568	-	401,568
Assigned:			
Capital Projects	1,035	-	1,035
Unassigned:	1,290,482	1,033,128	2,323,610
<b>TOTAL FUND BALANCES</b>	<b><u>\$ 1,825,396</u></b>	<b><u>\$ 2,182,892</u></b>	<b><u>\$ 4,008,288</u></b>

**NOTE 3 - Stewardship, Compliance, and Accountability**

**Budgetary Information** - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and most special revenue funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In July of each year, all departments of the City submit requests for appropriations to the Finance Director so that a budget may be prepared. Before September 15, the proposed budget is presented to the Council for review. The Council holds public hearings and a final budget is prepared and adopted by December.

The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted, or as amended by the Council.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 3 - Stewardship, Compliance, and Accountability - Continued**

**Excess of Expenditures over Appropriations** - For the year ended December 31, 2020, expenditures exceeded appropriations in the following funds:

<u>FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>EXCESS IN EXPENDITURES (UNDER) APPROPRIATIONS</u>
General Fund	\$ 2,264,387	\$ 2,727,147	\$ (462,760)
Special Revenue			
Park	163,732	217,499	(53,767)
Library	231,044	282,964	(51,920)

These over expenditures were funded by an excess of revenues over budget and available fund balance.

**NOTE 4 - Detailed Notes on All Funds**

**Deposits and Investments**

**Deposits** - Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Detailed Notes on All Funds - Continued**

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$5,407,921 and the bank balance was \$5,424,751. Of the bank balance, \$306,092 was covered by federal depository insurance. Of the remaining balance, \$5,118,659 was collateralized with securities held by the pledging financial institution's trust department in the City's name. The primary government deposits and investments are pooled.

**Investments** - As of December 31, 2020, the City had the following investments that are insured or registered, or securities held by the City or its agent in the City's name:

<u>TYPES OF INVESTMENT</u>	<u>FAIR VALUE/ CARRYING AMOUNT</u>	<u>CREDIT QUALITY</u>	<u>WEIGHTED AVERAGE MATURITIES</u>
Pooled investments:			
Edward Jones - CDs	\$ 1,907,159	N/A	Less than one year
Non-pooled investments:			
SELCO Library Foundation	32,563	N/A	Less than one year
Time Certificates at Various Banks	421,401	N/A	More than one year
	<u><b>\$ 2,361,123</b></u>		

1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk. N/A indicates not applicable or available.

2) Interest rate risk is disclosed using the segmented time distribution method.

**Determining Fair Value** - The City categorizes its fair value measurements with in 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; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurement:

- 1) Domestic Bonds and Equity Securities are determined based on public market quotations (level 1).
- 2) Deposits and investments with stated interest rates (saving accounts, CD, REPO) are stated at cost.

**Cash on Hand**

Cash in the possession of the City, consisting of petty cash and change funds, totals \$200.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Detailed Notes on All Funds - Continued**

**Cash and Investments Summary**

A reconciliation of cash and investments as shown on the Statement of Net Position for the City follows:

Deposits	\$ 5,407,721
Investments	2,361,123
Cash on Hand	<u>200</u>
<b>TOTAL</b>	<b><u>\$ 7,769,044</u></b>
Cash and cash equivalents	\$ 5,407,921
Investments	<u>2,361,123</u>
<b>TOTAL</b>	<b><u>\$ 7,769,044</u></b>

The investments of the City are subject to the following risks:

- *Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota Statutes and the City's investment policy limit the City's investments.
- *Custodial Credit Risk:* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.
- *Concentration of Credit Risk:* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer.
- *Interest Rate Risk:* The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market, prior to maturity. In addition, operation funds shall be invested primarily in shorter-term securities, money market funds, or similar investment pools.

**Deferred Inflows**

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds were as follows:

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
Delinquent taxes receivable (General Fund)	<b><u>\$ 22,411</u></b>	<b><u>\$ -</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Detailed Notes on All Funds - Continued**

**Capital Assets**

Capital asset balances and activity for the year ended December 31, 2020 are as follows:

	BALANCES 1/1/20	ADDITIONS	RETIREMENTS	BALANCES 12/31/20
<b><u>GOVERNMENTAL ACTIVITIES</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 86,382	\$ -	-	\$ 86,382
Construction in progress	327,556	3,505,976	-	3,833,532
Total capital assets not being depreciated	413,938	3,505,976	-	3,919,914
<i>Capital assets being depreciated</i>				
Buildings and improvements	3,533,908	120,354	-	3,654,262
Other improvements	4,530,071	86,228	-	4,616,299
Equipment and machinery	3,095,136	672,856	-	3,767,992
Total capital assets being depreciated	11,159,115	879,438	-	12,038,553
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	969,717	77,060	-	1,046,777
Other improvements	1,580,759	189,955	-	1,770,714
Equipment and machinery	2,298,348	206,598	-	2,504,946
Total accumulated depreciation	4,848,824	473,613	-	5,322,437
Total capital assets being depreciated, net	6,310,291	405,825	-	6,716,116
<b>GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS, NET</b>	<b>\$ 6,724,229</b>	<b>\$ 3,911,801</b>	<b>\$ -</b>	<b>\$ 10,636,030</b>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 8,694
Public safety	134,193
Public works	233,295
Culture, recreation, and education	97,431
<b>Total</b>	<b>\$ 473,613</b>

	BALANCES 1/1/20	ADDITIONS	RETIREMENTS	BALANCES 12/31/20
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 28,926	\$ -	\$ (18,676)	\$ 10,250

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Detailed Notes on All Funds - Continued**

	BALANCES 1/1/20	ADDITIONS	RETIREMENTS	BALANCES 12/31/20
<b><u>BUSINESS-TYPE ACTIVITIES - Continued</u></b>				
<i>Capital assets being depreciated</i>				
Buildings and improvements	\$ 270,465	\$ -	(270,465)	\$ -
Systems and infrastructure	4,620,516	-	-	4,620,516
Furniture and equipment	334,388	-	(91,513)	242,875
Total capital assets being depreciated	<u>5,225,369</u>	<u>-</u>	<u>(361,978)</u>	<u>4,863,391</u>
Less accumulated depreciation for:				
Buildings and improvements	63,394	-	(63,394)	-
Systems and infrastructure	1,799,890	95,674	(123,059)	1,772,505
Furniture and equipment	282,943	7,126	(77,433)	212,636
Total accumulated depreciation	<u>2,146,227</u>	<u>102,800</u>	<u>(263,886)</u>	<u>1,985,141</u>
Total capital assets being depreciated, net	<u>3,079,142</u>	<u>(102,800)</u>	<u>(98,092)</u>	<u>2,878,250</u>
<b>BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS, NET</b>	<b><u>\$ 3,108,068</u></b>	<b><u>\$ (102,800)</u></b>	<b><u>\$ (116,768)</u></b>	<b><u>\$ 2,888,500</u></b>

Depreciation expense for business-type activities was charged to functions as follows:

Water	\$ 90,406
Sewer	12,394
<b>Total</b>	<b><u>\$ 102,800</u></b>

**Long-Term Debt**

General Obligation Bonds: The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business- type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue.

**Primary Government Debt General Obligation Bonds**

The following bonds were issued to provide funding for the City's ambulance building, pool, and street construction. Revenues to retire the bonds come from ad valorem tax levies.

DESCRIPTION	AUTHORIZED AND ISSUED	INTEREST RATE	ISSUE DATE	MATURITY DATE	BALANCE AT YEAR-END
G.O. Swimming Pool Refunding Bond of 2015A	\$ 1,225,000	3.00%	05/01/2015	02/01/2030	\$ 884,000
G.O. Tax Abatement Note 2019A - direct borrowing	794,000	2.00%	12/02/2019	02/01/2031	794,000
G.O. Utility Revenue Bond 2020A	2,630,000	1.35%	05/19/2020	02/01/2031	<u>2,630,000</u>
<b>TOTAL G.O.</b>					<b><u>\$ 4,308,000</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Detailed Notes on All Funds - Continued**

**G.O. Revenue Bonds**

The following bonds were issued to finance capital improvements in the enterprise funds. They will be retired from net revenues of the enterprise funds.

<u>DESCRIPTION</u>	<u>AUTHORIZED AND ISSUED</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>BALANCE AT YEAR-END</u>
G.O. Water Revenue Note of 2006 (PFA)	\$ 937,164	2.63%	10/12/2006	08/20/2021	\$ 65,000
G.O. Water Revenue MPFA-11-0036-R	279,882	1.93%	07/01/2011	08/20/1931	<u>165,422</u>
<b>TOTAL G.O.</b>					<b><u>\$ 230,422</u></b>

Annual requirement to maturity for long-term liabilities is as follows:

<u>YEAR ENDING DECEMBER 31,</u>	<u>GENERAL OBLIGATION BONDS</u>			<u>G.O. REVENUE BONDS</u>		
	<u>GOVERNMENTAL ACTIVITIES</u>			<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 308,000	\$ 97,489	\$ 405,489	\$ 79,000	\$ 4,801	\$ 83,801
2022	370,000	80,534	450,534	14,000	2,921	16,921
2023	381,000	72,551	453,551	15,000	2,651	17,651
2024	385,000	64,405	449,405	15,000	3,362	18,362
2025	396,000	56,095	452,095	15,000	2,073	17,073
2026-2030	2,119,000	148,351	2,267,351	80,000	6,007	86,007
2031	<u>349,000</u>	<u>3,293</u>	<u>352,293</u>	<u>12,442</u>	<u>240</u>	<u>12,682</u>
<b>TOTAL</b>	<b><u>\$ 4,308,000</u></b>	<b><u>\$ 522,718</u></b>	<b><u>\$ 4,830,718</u></b>	<b><u>\$ 230,442</u></b>	<b><u>\$ 22,055</u></b>	<b><u>\$ 252,497</u></b>

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>DUE WITHIN ONE YEAR</u>
<b>GOVERNMENTAL</b>					
General obligation	\$ 1,928,000	\$ 2,630,000	\$(1,044,000)	\$ 3,514,000	\$ 308,000
Net pension liability	869,463	232,589	(4,579)	1,097,473	-
Notes payable	794,000	-	-	794,000	-
Compensated absences	<u>68,336</u>	<u>-</u>	<u>(7,494)</u>	<u>60,842</u>	<u>6,084</u>
<b>GOVERNMENTAL ACTIVITY</b>					
<b>LONG-TERM LIABILITIES</b>	<b><u>\$ 3,659,799</u></b>	<b><u>\$ 2,862,589</u></b>	<b><u>\$(1,056,073)</u></b>	<b><u>\$ 5,466,315</u></b>	<b><u>\$ 314,084</u></b>
<b>BUSINESS-TYPE</b>					
Bonds payable					
General obligation revenue bonds	\$ 351,422	\$ -	\$(121,000)	\$ 230,422	\$ 79,000
Net pension liability	402,387	-	(243,551)	158,836	-
Compensated absences	<u>24,878</u>	<u>-</u>	<u>(16,109)</u>	<u>8,769</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITY</b>					
<b>LONG-TERM LIABILITIES</b>	<b><u>\$ 778,687</u></b>	<b><u>\$ -</u></b>	<b><u>\$(380,660)</u></b>	<b><u>\$ 398,027</u></b>	<b><u>\$ 79,000</u></b>



**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 4 - Detailed Notes on All Funds - Continued**

**Tax Increment Districts**

The City is the administering authority for the following tax increment finance districts:

	TAX INCREMENT DISTRICT	
	NO. 8-28	NO. 10-42
	LEVAN 3 RIVERS	DOWNTOWN PROJECTS
Authorizing law	M.S. 469	M.S. 469
Type of district	Housing	Redevelopment
Year established	2005	2018
Duration of district	25	26
Tax capacity		
Original	\$ 38	\$ 21,264
Current (approximate)	3,812	32,980
<b>CAPTURED - RETAINED</b>	<b><u>\$ 3,774</u></b>	<b><u>\$ 11,718</u></b>

**NOTE 5 - Defined Benefit Pension Plan - Statewide**

**Plan Description**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

**General Employees Retirement Fund (GERF)**

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**Public Employees Police and Fire Fund (PEPFF)**

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

**Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by the state statute and can only be modified by the state legislature. Vested Terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

**General Employees Retirement Fund Benefits**

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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 Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. 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.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**Public Employees Police and Fire Fund Benefits**

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the post-retirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

**Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2020. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2020. The City's contributions to the GERF for the year ended December 31, 2020, were \$67,444. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Police and Fire member's contribution rates increased from 11.30 percent of pay to 11.80 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$74,391. The City's contributions were equal to the required contributions as set by state statute.

**Pension Costs**

GERF Pension Costs

At December 31, 2020, the City reported a liability of \$755,428 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$23,315. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0126 percent at the end of the measurement period and 0.0138 percent for the beginning of the period.

City's proportionate share of the net pension liability	\$ 755,428
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>23,315</u>
<b>TOTAL</b>	<b><u>\$ 778,743</u></b>

For the year ended December 31, 2020, the City recognized pension expense of \$50,498 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$20,219 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

At December 31, 2020, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	\$ 7,552	\$ 2,859
Changes in assumptions	-	29,775
Net differences between projected and actual earnings on pension plan investments	5,062	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	62,450
Employer contributions subsequent to the measurement date	35,091	-
<b>Total</b>	<b>\$ 47,705</b>	<b>\$ 95,084</b>

\$35,091 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>YEAR ENDED DECEMBER 31,</u>	<u>PENSION EXPENSE AMOUNT</u>
2021	\$ (73,975)
2022	(24,630)
2023	(22,117)
2024	18,252

**PEPFF Pension Costs**

At December 31, 2020, the City reported a liability of \$500,881 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0478 percent at the end of the measurement period and 0.038 percent for the beginning of the period.

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$69,183 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$3,420 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$3,631 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	\$ 63,883	\$ 26,290
Changes in assumptions	185,525	376,670
Net differences between projected and actual earnings on pension plan investments	620	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	67,500	2,025
Employer contributions subsequent to the measurement date	39,716	-
<b>Total</b>	<b>\$357,244</b>	<b>\$404,985</b>

\$39,716 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>YEAR ENDED DECEMBER 31,</u>	<u>PENSION EXPENSE AMOUNT</u>
2021	\$ 6,924
2022	(142,016)
2023	25,672
2024	21,610
2025	353

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2020

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

**Actuarial Assumptions**

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

	<b>General Employees Plan</b>	<b>Police &amp; Fire Plan</b>
Inflation	2.25% per year	2.50% per year
Salary Growth	3.00% after 27 years of service	3.25% after 25 years of service
Investment Rate of Return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan, and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2020.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

**General Employees Fund**

*Changes in Actuarial Assumptions:*

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

*Change in Plan Provisions:*

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**Police and Fire Fund**

*Changes in Actuarial Assumptions:*

- The mortality projection scale was changed from MP-2018 to MP-2019.

*Changes in Plan Provisions:*

- There have been no changes since the prior valuation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	35.5%	5.10%
Private Markets	25.0%	5.90%
Fixed Income	20.0%	0.75%
International Equity	17.5%	5.90%
Cash Equivalents	2.0%	0.00%
<b>Total</b>	<b>100%</b>	

**Discount Rate**

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employers Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued**

**Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% DECREASE IN DISCOUNT RATE (6.5%)	DISCOUNT RATE (7.5%)	1% INCREASE IN DISCOUNT RATE (8.5%)
City's proportionate share of the GERP net pension liability	\$1,210,668	\$ 755,428	\$ 379,874
City's proportionate share of the PEPFF net pension liability	998,327	500,881	9,610

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**NOTE 6 - Defined Contribution Pension Plan - Statewide**

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and .25 percent of the assets in each member's account annually.

Any contributions made by the City of Plainview during fiscal year 2020 were not material.

**NOTE 7 - Other Information**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.



**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2020**

**NOTE 7 - Other Information - Continued**

**Contingent Liabilities**

The City may at times be party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City has books a contingent liability related to termination of an employment agreement. Management estimates the accrued loss contingency to be \$30,000 as of December 31, 2020.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

**Concentrations**

The City receives a significant amount of its annual General fund revenues from the State of Minnesota from the Local Government Aid (LGA) programs. The amount received in 2020 was \$809,067 for LGA. This accounted for 31 percent of General fund revenue. The availability of this aid is dependent on the general financial health of the state of Minnesota and has at times been reduced due to fiscal consistencies.

**Joint Venture - Plainview - Elgin Sanitary District**

The City is a member of a joint sanitary district with the City of Elgin. Commissioners are appointed by the City Council from each city to manage the operations of the Sanitary District. The Sanitary District bills the member cities for their share of costs. The City records the payments to the District as an operating expense of its Sewer enterprise fund. The total expenses paid by the City for the year ended December 31, 2020 totaled \$780,574.

**CITY OF PLAINVIEW, MINNESOTA**

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF PLAINVIEW, MINNESOTA**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**

	General			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUE</b>				
Taxes	\$ 1,229,324	\$ 1,231,209	\$ 1,228,373	\$ (2,836)
Licenses and permits	29,650	47,766	47,781	15
Intergovernmental	886,586	1,139,348	1,139,348	-
Charges for services	103,980	68,841	91,272	22,431
Fines and forfeits	15,000	8,961	8,961	-
Investment earnings	50,000	56,045	56,100	55
Miscellaneous	64,750	41,828	67,364	25,536
<b>TOTAL REVENUE</b>	<u>2,379,290</u>	<u>2,593,998</u>	<u>2,639,199</u>	<u>45,201</u>
<b>EXPENDITURES</b>				
Current				
General government	595,140	715,230	764,717	(49,487)
Public safety	1,027,475	949,637	958,145	(8,508)
Streets and highways	551,960	402,936	404,642	(1,706)
Economic development	48,500	48,500	48,500	-
Miscellaneous	15,300	15,800	15,800	-
Capital outlay				
General government	-	5,500	5,500	-
Public safety	-	-	125,310	(125,310)
Streets and highways	240,000	126,784	404,533	(277,749)
<b>TOTAL EXPENDITURES</b>	<u>2,478,375</u>	<u>2,264,387</u>	<u>2,727,147</u>	<u>(462,760)</u>
<b>EXCESS OF REVENUE (UNDER)</b>				
<b>OVER EXPENDITURES</b>	(99,085)	329,611	(87,948)	(417,559)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	1,127,655	1,127,655
<b>NET CHANGE IN FUND BALANCES</b>	(99,085)	329,611	1,039,707	710,096
<b>FUND BALANCES, JANUARY 1</b>	553,192	553,192	553,192	-
<b>EQUITY TRANSFER</b>	-	-	232,497	232,497
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 454,107</u>	<u>\$ 882,803</u>	<u>\$ 1,825,396</u>	<u>\$ 942,593</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF PLAINVIEW, MINNESOTA**  
**RETIREMENT SYSTEM SCHEDULES - GENERAL EMPLOYEES RETIREMENT FUND (GERF)**  
**DECEMBER 31, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Last 10 Fiscal Years *					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Proportion of the net pension liability	0.0125000%	0.0121000%	0.0143000%	0.0142000%	0.0138000%	0.0126000%
Proportionate share of the net pension liability	\$ 647,815	\$ 982,460	\$ 912,903	\$ 787,758	\$ 762,971	\$ 755,428
Covered payroll	\$ 718,813	\$ 855,587	\$ 917,520	\$ 952,360	\$ 976,587	\$ 899,253
Proportionate share of the net pension liability as a percentage of its covered payroll	90.12%	114.83%	99.50%	82.72%	78.13%	84.01%
Plan fiduciary net position as a percentage of the total pension liability	78.19%	68.90%	75.90%	79.53%	80.23%	79.06%

SCHEDULE OF CONTRIBUTIONS

	Last 10 Fiscal Years *					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contributions	\$ 47,689	\$ 64,169	\$ 68,814	\$ 71,427	\$ 73,244	\$ 67,444
Contributions in relation to the contractually required contributions	<u>(47,689)</u>	<u>(64,169)</u>	<u>(68,814)</u>	<u>(71,427)</u>	<u>(73,244)</u>	<u>(67,444)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 718,813	\$ 855,587	\$ 917,520	\$ 952,360	\$ 976,587	\$ 899,253
Contributions as a percentage of covered payroll	6.63%	7.50%	7.50%	7.50%	7.50%	7.50%

\* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The City implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 4 proceeding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2020**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the Minnesota Retirement System (PERA).

Changes of assumptions - See Note 5 for changes.

**CITY OF PLAINVIEW, MINNESOTA**  
**RETIREMENT SYSTEM SCHEDULES- PUBLIC EMPLOYEES POLICE AND FIRE FUND**  
**DECEMBER 31, 2020**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Last 10 Fiscal Years *					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Proportion of the net pension liability	0.0390000%	0.0420000%	0.0460000%	0.0457000%	0.0478000%	0.0380000%
Proportionate share of the net pension liability	\$ 443,131	\$ 1,685,533	\$ 621,055	\$ 487,115	\$ 508,879	\$ 500,881
Covered payroll	\$ 408,969	\$ 447,580	\$ 481,827	\$ 481,660	\$ 561,123	\$ 420,288
Proportionate share of the net pension liability as a percentage of its covered payroll	108.35%	376.59%	128.90%	101.13%	90.69%	119.18%
Plan fiduciary net position as a percentage of the total pension liability	78.19%	68.90%	75.90%	79.53%	80.23%	79.06%

SCHEDULE OF CONTRIBUTIONS

	Last 10 Fiscal Years *					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contributions	\$ 51,435	\$ 72,508	\$ 78,056	\$ 78,029	\$ 83,612	\$ 74,391
Contributions in relation to the contractually required contributions	<u>(51,435)</u>	<u>(72,508)</u>	<u>(78,056)</u>	<u>(78,029)</u>	<u>(83,612)</u>	<u>(74,391)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 408,969	\$ 447,580	\$ 481,827	\$ 481,660	\$ 561,123	\$ 420,288
Contributions as a percentage of covered payroll	12.58%	16.20%	16.20%	16.20%	14.90%	17.70%

\* The amounts presented for each fiscal year were determined as of the calendar year end which occurred within the fiscal year.

The City implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 4 proceeding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2020**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the Minnesota Retirement System (PERA).

Changes of assumptions - See Note 5 for changes.

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING AND INDIVIDUAL FUND**  
**FINANCIAL STATEMENTS AND SCHEDULES**

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

<u>ASSETS</u>	Nonmajor Special Revenue	Nonmajor Capital Project	Totals
Cash and cash equivalents	\$ 563,974	\$ 81,302	\$ 645,276
Investments	103,968	-	103,968
Accounts receivable, net of allowance	-	396	396
<b>TOTAL ASSETS</b>	<b>\$ 667,942</b>	<b>\$ 81,698</b>	<b>\$ 749,640</b>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 2,224	\$ -	\$ 2,224
Accrued wages and taxes payable	2,269	-	2,269
TOTAL LIABILITIES	4,493	-	4,493
FUND BALANCES			
Nonspendable	103,968	-	103,968
Restricted	188,265	-	188,265
Committed	371,216	81,698	452,914
TOTAL FUND BALANCES	663,449	81,698	745,147
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 667,942</b>	<b>\$ 81,698</b>	<b>\$ 749,640</b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	Nonmajor Special Revenue	Nonmajor Capital Project	Totals
REVENUE			
Taxes	\$ 622,290	\$ 174,416	\$ 796,706
Intergovernmental	89,653	-	89,653
Charges for services	62,828	3,801	66,629
Fines and forfeits	272	-	272
Investment earnings	1,698	-	1,698
Miscellaneous	35,829	65,000	100,829
TOTAL REVENUE	<u>812,570</u>	<u>243,217</u>	<u>1,055,787</u>
EXPENDITURES			
Current			
Public safety	92,986	-	92,986
Streets and Highways	-	6,443	6,443
Culture and recreation	417,506	-	417,506
Economic development	62,638	-	62,638
Cemetery	39,417	-	39,417
Capital outlay	111,651	14,352	126,003
Public safety	-	236,946	236,946
TOTAL EXPENDITURES	<u>724,198</u>	<u>257,741</u>	<u>981,939</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>88,372</u>	<u>(14,524)</u>	<u>73,848</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	96,971	84,876	181,847
Transfers (out)	<u>(23,800)</u>	<u>(524,383)</u>	<u>(548,183)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>73,171</u>	<u>(439,507)</u>	<u>(366,336)</u>
NET CHANGE IN FUND BALANCES	161,543	(454,031)	(292,488)
FUND BALANCES, JANUARY 1	685,482	535,729	1,221,211
EQUITY TRANSFER	<u>(183,576)</u>	<u>-</u>	<u>(183,576)</u>
<b>FUND BALANCES, DECEMBER 31</b>	<b><u>\$ 663,449</u></b>	<b><u>\$ 81,698</u></b>	<b><u>\$ 745,147</u></b>



**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2020**

	<u>211</u>	<u>215</u>	<u>225</u>	<u>235</u>	<u>240</u>	<u>245</u>	<u>250</u>	<u>505</u>	<u>506</u>	Total
	Library	Library Memorial	Park	Cemetery	Cemetery Perpetual Care	Rural Fire	Fire Relief	LeVan TIF	TIF Downtown Redevelopment Fund	Nonmajor Funds
<b><u>ASSETS</u></b>										
Cash and cash equivalents	\$ 136,416	\$ 32	\$ 20,244	\$ 24,181	\$ 18,003	\$ 193,151	\$ 1,717	\$ 147,059	\$ 23,171	\$ 563,974
Investments	-	32,563	-	-	71,405	-	-	-	-	103,968
<b>TOTAL ASSETS</b>	<b>\$ 136,416</b>	<b>\$ 32,595</b>	<b>\$ 20,244</b>	<b>\$ 24,181</b>	<b>\$ 89,408</b>	<b>\$ 193,151</b>	<b>\$ 1,717</b>	<b>\$ 147,059</b>	<b>\$ 23,171</b>	<b>\$ 667,942</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>										
<b>LIABILITIES</b>										
Accounts payable	\$ 1,618	\$ -	\$ 606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,224
Accrued wages and taxes payable	1,528	-	741	-	-	-	-	-	-	2,269
<b>TOTAL LIABILITIES</b>	<b>3,146</b>	<b>-</b>	<b>1,347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,493</b>
<b>FUND BALANCES</b>										
Nonspendable	-	32,563	-	-	71,405	-	-	-	-	103,968
Restricted	-	32	-	-	18,003	-	-	147,059	23,171	188,265
Committed	133,270	-	18,897	24,181	-	193,151	1,717	-	-	371,216
<b>TOTAL FUND BALANCES</b>	<b>133,270</b>	<b>32,595</b>	<b>18,897</b>	<b>24,181</b>	<b>89,408</b>	<b>193,151</b>	<b>1,717</b>	<b>147,059</b>	<b>23,171</b>	<b>663,449</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 136,416</b>	<b>\$ 32,595</b>	<b>\$ 20,244</b>	<b>\$ 24,181</b>	<b>\$ 89,408</b>	<b>\$ 193,151</b>	<b>\$ 1,717</b>	<b>\$ 147,059</b>	<b>\$ 23,171</b>	<b>\$ 667,942</b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>211</u>	<u>215</u>	<u>225</u>	<u>230</u>	<u>231</u>	<u>232</u>	<u>235</u>	<u>240</u>	<u>245</u>	<u>250</u>	<u>505</u>	<u>506</u>	Total
	Library	Library Memorial	Park	Ambulance Operating	Ambulance Training	Ambulance Retirement	Cemetery	Cemetery Perpetual Care	Rural Fire	Fire Relief	LeVan TIF	TIF Downtown Redevelopment Fund	Nonmajor Funds
<b>REVENUE</b>													
Taxes													
Property taxes	\$ 195,989	\$ -	\$ 212,418	\$ 76	\$ -	\$ -	\$ 33,188	\$ -	\$ -	\$ 13,134	\$ -	\$ 11,681	\$ 466,486
Tax increment district taxes	-	-	-	-	-	-	-	-	-	-	155,804	-	155,804
Intergovernmental													
Fire relief state aid	-	-	-	-	-	-	-	-	-	39,135	-	-	39,135
Other County grants	50,518	-	-	-	-	-	-	-	-	-	-	-	50,518
Charges for services	-	-	3,805	437	-	-	12,060	1,840	44,686	-	-	-	62,828
Fines and forfeits	272	-	-	-	-	-	-	-	-	-	-	-	272
Investment earnings	-	973	-	-	-	-	-	714	11	-	-	-	1,698
Other	16,537	6,229	4,075	-	-	-	4,477	-	4,511	-	-	-	35,829
<b>TOTAL REVENUE</b>	<u>263,316</u>	<u>7,202</u>	<u>220,298</u>	<u>513</u>	<u>-</u>	<u>-</u>	<u>49,725</u>	<u>2,554</u>	<u>49,208</u>	<u>52,269</u>	<u>155,804</u>	<u>11,681</u>	<u>812,570</u>
<b>EXPENDITURES</b>													
Current	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	4,147	-	-	-	-	35,505	52,334	-	1,000	92,986
Culture and recreation	232,571	20,652	164,283	-	-	-	-	-	-	-	-	-	417,506
Economic development	-	-	-	-	-	-	-	-	-	-	62,638	-	62,638
Cemetery	-	-	-	-	-	-	39,417	-	-	-	-	-	39,417
Capital outlay	50,393	-	53,216	-	-	-	-	8,042	-	-	-	-	111,651
<b>TOTAL EXPENDITURES</b>	<u>282,964</u>	<u>20,652</u>	<u>217,499</u>	<u>4,147</u>	<u>-</u>	<u>-</u>	<u>39,417</u>	<u>8,042</u>	<u>35,505</u>	<u>52,334</u>	<u>62,638</u>	<u>1,000</u>	<u>724,198</u>
<b>EXCESS OF REVENUE (UNDER)</b>													
<b>OVER EXPENDITURES</b>	<u>(19,648)</u>	<u>(13,450)</u>	<u>2,799</u>	<u>(3,634)</u>	<u>-</u>	<u>-</u>	<u>10,308</u>	<u>(5,488)</u>	<u>13,703</u>	<u>(65)</u>	<u>93,166</u>	<u>10,681</u>	<u>88,372</u>
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers in	73,362	-	23,609	-	-	-	-	-	-	-	-	-	96,971
Transfers out	-	-	-	-	-	-	-	-	(23,800)	-	-	-	(23,800)
<b>TOTAL OTHER FINANCING</b>													
<b>SOURCES (USES)</b>	<u>73,362</u>	<u>-</u>	<u>23,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,171</u>
<b>NET CHANGE IN FUND BALANCES</b>	53,714	(13,450)	26,408	(3,634)	-	-	10,308	(5,488)	(10,097)	(65)	93,166	10,681	161,543
<b>FUND BALANCES (DEFICITS), JANUARY 1</b>	79,556	46,045	(7,511)	136,134	8,386	42,690	13,873	94,896	203,248	1,782	53,893	12,490	685,482
<b>EQUITY TRANSFER</b>	-	-	-	(132,500)	(8,386)	(42,690)	-	-	-	-	-	-	(183,576)
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 133,270</u>	<u>\$ 32,595</u>	<u>\$ 18,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,181</u>	<u>\$ 89,408</u>	<u>\$ 193,151</u>	<u>\$ 1,717</u>	<u>\$ 147,059</u>	<u>\$ 23,171</u>	<u>\$ 663,449</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**LIBRARY SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
With Comparative Actual Amounts for Year Ended December 31, 2019

	2020			2019
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget
				Actual
				Amounts
<b>REVENUE</b>				
Property taxes	\$ 196,419	\$ 195,158	\$ 195,989	\$ 831
Intergovernmental				
Other county grants	50,518	50,518	50,518	-
Fines and forfeits	1,000	272	272	-
Miscellaneous				
Contributions and donations	-	12,100	12,100	-
Sale of assets	-	496	496	-
Other	1,500	3,941	3,941	-
<b>TOTAL REVENUE</b>	<u>249,437</u>	<u>262,485</u>	<u>263,316</u>	<u>831</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Personal services	171,157	160,460	161,988	(1,528)
Supplies	40,000	37,832	37,832	-
Other services and charges	41,280	32,752	32,751	1
Capital outlay				
Culture and recreation	-	-	50,393	(50,393)
<b>TOTAL EXPENDITURES</b>	<u>252,437</u>	<u>231,044</u>	<u>282,964</u>	<u>(51,920)</u>
<b>EXCESS OF REVENUE (UNDER)</b>				
<b>OVER EXPENDITURES</b>	(3,000)	31,441	(19,648)	(51,089)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	73,362	73,362
<b>NET CHANGE IN FUND BALANCES</b>	(3,000)	31,441	53,714	22,273
<b>FUND BALANCES, JANUARY 1</b>	<u>79,556</u>	<u>79,556</u>	<u>79,556</u>	<u>-</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><b>\$ 76,556</b></u>	<u><b>\$ 110,997</b></u>	<u><b>\$ 133,270</b></u>	<u><b>\$ 22,273</b></u>
				<u><b>\$ 79,556</b></u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) -**  
**BUDGET AND ACTUAL**  
**PARK, POOL, AND RINK SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
**With Comparative Actual Amounts for Year Ended December 31, 2019**

	2020			2019
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget
				Actual Amounts
<b>REVENUE</b>				
Property taxes	\$ 212,546	\$ 211,393	\$ 212,418	\$ 1,025
Charges for services	68,000	3,805	3,805	-
Miscellaneous				
Rent	1,500	260	260	-
Contributions and donations	500	385	385	-
Other	8,000	3,532	3,430	(102)
<b>TOTAL REVENUE</b>	<u>290,546</u>	<u>219,375</u>	<u>220,298</u>	<u>923</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Personal services	182,825	104,236	104,977	(741)
Supplies	42,975	17,138	17,136	2
Other services and charges	64,746	42,358	42,170	188
Capital outlay				
Culture and recreation	-	-	53,216	(53,216)
<b>TOTAL EXPENDITURES</b>	<u>290,546</u>	<u>163,732</u>	<u>217,499</u>	<u>(53,767)</u>
<b>EXCESS OF REVENUE (UNDER)</b>				
<b>EXPENDITURES</b>	-	55,643	2,799	54,690
<b>OTHER FINANCES (USES) SOURCES</b>				
Transfers (out) in	(40,000)	(40,000)	23,609	63,609
<b>NET CHANGE IN FUND BALANCES</b>	(40,000)	15,643	26,408	118,299
<b>FUND (DEFICITS), JANUARY 1</b>	(7,511)	(7,511)	(7,511)	-
<b>FUND (DEFICITS) BALANCES, DECEMBER 31</b>	<u>\$ (47,511)</u>	<u>\$ 8,132</u>	<u>\$ 18,897</u>	<u>\$ 118,299</u>
				<u>\$ (7,511)</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**AMBULANCE OPERATIONS SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
With Comparative Actual Amounts for Year Ended December 31, 2019

	2020				2019
	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	With Final Budget	Amounts
<b>REVENUE</b>					
Property taxes	\$ -	\$ -	\$ 76	\$ 76	\$ 31,253
Other local grants	-	-	-	-	-
Charges for services	-	-	437	437	51,507
Other	-	-	-	-	3,461
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>513</u>	<u>513</u>	<u>86,221</u>
<b>EXPENDITURES</b>					
Current					
Public Safety					
Personal services	-	-	1,249	(1,249)	14,075
Supplies	-	-	1,555	(1,555)	17,043
Other services and charges	-	-	1,343	(1,343)	44,368
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>4,147</u>	<u>(4,147)</u>	<u>75,486</u>
<b>EXCESS OF REVENUE (UNDER)</b>					
<b>OVER EXPENDITURES</b>	-	-	(3,634)	(3,634)	10,735
<b>FUND BALANCES, JANUARY 1</b>	136,134	136,134	136,134	-	125,399
<b>EQUITY TRANSFER</b>	<u>(132,500)</u>	<u>(132,500)</u>	<u>(132,500)</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><b>\$ 3,634</b></u>	<u><b>\$ 3,634</b></u>	<u><b>\$ -</b></u>	<u><b>\$ (3,634)</b></u>	<u><b>\$ 136,134</b></u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**CEMETERY SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
With Comparative Actual Amounts for Year Ended December 31, 2019

	2020			2019
	Budgeted Amounts		Variance	Actual
	Original	Final	With Final Budget	Amounts
REVENUE				
Property taxes	\$ 33,204	\$ 33,030	\$ 33,188	\$ 158
Charges for services	7,500	12,060	12,060	-
Miscellaneous	1,000	4,477	4,477	-
TOTAL REVENUE	<u>41,704</u>	<u>49,567</u>	<u>49,725</u>	<u>158</u>
EXPENDITURES				
Current				
Cemetery				
Supplies	3,000	1,094	1,094	-
Other services and charges	<u>38,704</u>	<u>38,322</u>	<u>38,323</u>	<u>(1)</u>
TOTAL EXPENDITURES	<u>41,704</u>	<u>39,416</u>	<u>39,417</u>	<u>(1)</u>
EXCESS OF REVENUE OVER EXPENDITURES	-	10,151	10,308	157
OTHER FINANCES SOURCES				
Transfers in	-	-	-	-
NET CHANGE IN FUND BALANCES	-	10,151	10,308	157
FUND BALANCES (DEFICITS), JANUARY 1	<u>13,873</u>	<u>13,873</u>	<u>13,873</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	<u>\$ 13,873</u>	<u>\$ 24,024</u>	<u>\$ 24,181</u>	<u>\$ 157</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**CEMETERY PERPETUAL CARE SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
**With Comparative Actual Amounts for Year Ended December 31, 2019**

	2020			2019
	Budgeted Amounts		Actual Amounts	Actual Amounts
	Original	Final		
REVENUE				
Charges for services	\$ 500	\$ 1,840	\$ 1,840	\$ 1,100
Investment earnings	1,000	714	714	1,009
TOTAL REVENUE	1,500	2,554	2,554	2,109
EXPENDITURES				
Capital outlay				
Cemetery	-	-	8,042	-
NET CHANGE IN FUND BALANCES	1,500	2,554	(5,488)	2,109
FUND BALANCES, JANUARY 1	94,896	94,896	94,896	92,787
FUND BALANCES, DECEMBER 31	<u>\$ 96,396</u>	<u>\$ 97,450</u>	<u>\$ 89,408</u>	<u>\$ 94,896</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**RURAL FIRE SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
With Comparative Actual Amounts for Year Ended December 31, 2019

	2020			2019
	Budgeted Amounts		Variance	Actual
	Original	Final	With Final Budget	Amounts
REVENUE				
Charges for services	\$ 49,913	\$ 44,688	\$ (2)	\$ 42,908
Investment earnings	-	-	11	16
Miscellaneous - other	-	4,511	-	447
TOTAL REVENUE	<u>49,913</u>	<u>49,199</u>	<u>9</u>	<u>43,371</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	17,333	10,948	-	11,229
Supplies	16,625	16,584	-	10,224
Other services and charges	7,487	7,973	-	5,247
TOTAL EXPENDITURES	<u>41,445</u>	<u>35,505</u>	<u>-</u>	<u>26,700</u>
EXCESS OF REVENUE OVER EXPENDITURES	8,468	13,694	9	16,671
OTHER FINANCING (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>23,800</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,468	13,694	23,809	16,671
FUND BALANCES, JANUARY 1	<u>203,248</u>	<u>203,248</u>	<u>-</u>	<u>186,577</u>
FUND BALANCES, DECEMBER 31	<u><b>\$211,716</b></u>	<u><b>\$216,942</b></u>	<u><b>\$ 23,809</b></u>	<u><b>\$203,248</b></u>



**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FIRE RELIEF SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
With Comparative Actual Amounts for Year Ended December 31, 2019

	2020			2019	
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
REVENUE					
Property taxes	\$ 13,200	\$ 13,082	\$ 13,134	\$ 52	\$ 16,287
Intergovernmental					
Fire relief state aid	<u>36,195</u>	<u>39,135</u>	<u>39,135</u>	-	<u>36,990</u>
TOTAL REVENUE	49,395	52,217	52,269	52	53,277
EXPENDITURES					
Current					
Public safety					
Other service and charges	<u>49,395</u>	<u>52,335</u>	<u>52,334</u>	<u>1</u>	<u>50,191</u>
NET CHANGE IN FUND BALANCES	-	(118)	(65)	53	3,086
FUND BALANCES (DEFICITS), JANUARY 1	1,782	1,782	1,782	-	(1,804)
EQUITY TRANSFER	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<b>FUND BALANCES, DECEMBER 31</b>	<b><u>\$ 1,782</u></b>	<b><u>\$ 1,664</u></b>	<b><u>\$ 1,717</u></b>	<b><u>\$ 53</u></b>	<b><u>\$ 1,782</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2020**

	<u><b>404</b></u>	<u><b>405</b></u>	<u><b>Total</b></u>
	Stormwater/ Drainage	Capital Projects	Nonmajor Funds
<u><b>ASSETS</b></u>			
Cash and cash equivalents	\$ 1	\$ 81,301	\$ 81,302
Receivables	<u>396</u>	<u>-</u>	<u>396</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 397</b></u>	<u><b>\$ 81,301</b></u>	<u><b>\$ 81,698</b></u>
<u><b>LIABILITIES AND FUND BALANCES</b></u>			
LIABILITIES	\$ -	\$ -	\$ -
FUND BALANCES			
Committed	<u>397</u>	<u>81,301</u>	<u>81,698</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><b>\$ 397</b></u>	<u><b>\$ 81,301</b></u>	<u><b>\$ 81,698</b></u>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>246</u>	<u>404</u>	<u>405</u>	<u>Total</u>
	Fire Equipment Replacement	Stormwater/ Drainage	Capital Projects	Nonmajor Funds
REVENUE				
Taxes				
Property taxes	\$ -	\$ -	\$ 174,416	\$ 174,416
Charges for services	-	3,801	-	3,801
Miscellaneous	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
TOTAL REVENUE	<u>65,000</u>	<u>3,801</u>	<u>174,416</u>	<u>243,217</u>
EXPENDITURES				
Current				
Streets and highways	-	6,443	-	6,443
Capital outlay				
Public safety	236,946	-	-	236,946
Streets and highways	<u>-</u>	<u>14,352</u>	<u>-</u>	<u>14,352</u>
TOTAL EXPENDITURES	<u>236,946</u>	<u>20,795</u>	<u>-</u>	<u>257,741</u>
EXCESS OF REVENUE (UNDER) OVER EXPENDITURES	<u>(171,946)</u>	<u>(16,994)</u>	<u>174,416</u>	<u>(14,524)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	23,800	61,076	-	84,876
Transfers (out)	<u>-</u>	<u>-</u>	<u>(524,383)</u>	<u>(524,383)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>23,800</u>	<u>61,076</u>	<u>(524,383)</u>	<u>(439,507)</u>
NET CHANGE IN FUND BALANCES	(148,146)	44,082	(349,967)	(454,031)
FUND BALANCES (DEFICITS), JANUARY 1	<u>148,146</u>	<u>(43,685)</u>	<u>431,268</u>	<u>535,729</u>
<b>FUND BALANCES, DECEMBER 31</b>	<b><u>\$ -</u></b>	<b><u>\$ 397</u></b>	<b><u>\$ 81,301</u></b>	<b><u>\$ 81,698</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMPARATIVE BALANCE SHEETS**  
**GENERAL FUND**

	YEAR ENDED DECEMBER 31,	
	2020	2019
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 1,540,281	\$ 294,983
Investments	349,996	375,595
Receivables:		
Interest	8,208	8,208
Delinquent taxes	22,411	16,216
Accounts	3,078	2,937
Intergovernmental	9,766	12,762
<b>TOTAL ASSETS</b>	<b><u>\$ 1,933,740</u></b>	<b><u>\$ 710,701</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 30,258	\$ 69,548
Unearned revenue	9,300	9,300
Accrued wages payable	16,375	62,445
Accrued contingent liability	30,000	-
TOTAL LIABILITIES	<u>85,933</u>	<u>141,293</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,411</u>	<u>16,216</u>
<b>FUND BALANCES</b>		
Restricted	132,311	107,062
Committed	401,568	401,568
Assigned	1,035	1,032
Unassigned	1,290,482	43,530
TOTAL FUND BALANCES	<u>1,825,396</u>	<u>553,192</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 1,933,740</u></b>	<b><u>\$ 710,701</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
With Comparative Actual Amounts for Year Ended December 31, 2019

	2020			2019	
	Budgeted Amounts		Actual	Variance	Actual
	Original	Final	Amounts	With Final Budget	Amounts
REVENUE					
TAXES					
Property taxes	\$ 1,179,324	\$ 1,178,529	\$ 1,177,672	\$ (857)	\$ 1,034,770
Franchise fees	50,000	52,680	50,701	(1,979)	45,625
TOTAL TAXES	1,229,324	1,231,209	1,228,373	(2,836)	1,080,395
LICENSES AND PERMITS					
Business	8,500	2,192	2,192	-	7,979
Nonbusiness	21,150	45,574	45,589	-	16,547
TOTAL LICENSES AND PERMITS	29,650	47,766	47,781	-	24,526
INTERGOVERNMENTAL					
State					
Local government aid	807,292	809,067	809,067	-	759,216
Property tax credits and aids	-	1,111	1,111	-	1,145
Police aid	60,000	61,432	61,432	-	62,590
Other state aids	22,294	9,912	9,912	-	17,840
Total state	889,586	881,522	881,522	-	840,791
Local					
Other grants	(3,000)	1,092	1,092	-	2,088
Federal					
CARES Act Grants	-	256,734	256,734	-	-
TOTAL INTERGOVERNMENTAL	886,586	1,139,348	1,139,348	-	842,879
CHARGES FOR SERVICES					
General government	-	-	-	-	35
Public safety	53,020	19,387	41,833	22,446	54,829
Streets and highways	34,900	36,837	36,837	-	40,030
Sanitation	8,060	7,978	7,963	(15)	8,553
Transit	8,000	4,639	4,639	-	8,005
TOTAL CHARGES FOR SERVICES	103,980	68,841	91,272	22,431	111,452
FINES AND FORFEITS	15,000	8,961	8,961	-	13,198
INVESTMENT EARNINGS	50,000	56,045	56,100	55	102,337
MISCELLANEOUS					
TIF Admin Fees	1,000	2,682	2,923	241	3,091
Contributions and donations	50,000	10,107	35,301	25,194	37,296
Other	13,250	21,749	21,850	101	17,028
Other Sales	500	7,290	7,290	-	3,733
TOTAL MISCELLANEOUS	64,750	41,828	67,364	25,536	61,148
TOTAL REVENUE	2,379,290	2,593,998	2,639,199	45,186	2,235,935

(Continued on page 62)

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - Continued**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
**With Comparative Actual Amounts for Year Ended December 31, 2019**

	2020				2019
	Budgeted Amounts		Actual	Variance	
	Original	Final	Amounts	With Final	Actual
				Budget	Amounts
EXPENDITURES					
CURRENT					
GENERAL GOVERNMENT					
Council					
Personal services	\$ 14,397	\$ 14,382	\$ 14,381	\$ -	\$ 13,948
Other services	5,000	1,913	1,913	-	38,749
Other charges	25,500	20,019	21,219	(1,200)	21,856
Total Council	44,897	36,314	37,513	(1,200)	74,553
Elections					
Personal services	6,000	6,621	6,620	(1)	-
Other services	775	-	-	-	270
Other charges	3,400	4,637	4,637	-	103
Total Elections	10,175	11,258	11,257	(1)	373
Financial administration					
Personal services	371,493	455,458	459,101	(3,643)	357,634
Supplies	12,200	35,083	35,083	-	9,337
Other services	86,800	94,064	138,523	(44,459)	89,961
Other charges	69,575	83,053	83,240	(187)	124,712
Total Financial Administration	540,068	667,658	715,947	(48,289)	581,644
TOTAL GENERAL GOVERNMENT	595,140	715,230	764,717	(49,490)	656,570
PUBLIC SAFETY					
Police					
Personal services	773,446	753,875	761,921	(8,046)	743,267
Supplies	30,000	34,611	34,613	(2)	36,870
Other services	41,000	39,036	39,036	-	37,512
Other charges	59,350	61,664	61,662	(2)	51,720
Total Police	903,796	889,186	897,232	(8,050)	869,369
Fire-City					
Personal services	25,930	19,818	19,818	-	20,584
Supplies	44,300	20,715	20,715	-	28,154
Other services	1,000	333	333	-	-
Other charges	49,237	17,657	17,656	1	43,550
Total Fire-City	120,467	58,523	58,522	1	92,288
Emergency Management					
Personal services	1,182	1,209	1,209	-	1,188
Other services	2,030	719	1,182	(463)	1,491
Total Emergency Management	3,212	1,928	2,391	(463)	2,679
TOTAL PUBLIC SAFETY	1,027,475	949,637	958,145	(8,512)	964,336

(Continued on page 63)

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - Continued**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**  
**With Comparative Actual Amounts for Year Ended December 31, 2019**

	2020			2019	
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - Continued					
CURRENT - Continued					
STREET AND HIGHWAYS					
Street maintenance					
Personal services	\$ 172,513	\$ 173,300	\$ 175,128	\$ (1,828)	\$ 199,953
Supplies	175,375	80,608	80,608	-	90,757
Other services	47,500	16,935	16,935	-	54,529
Other charges	63,898	58,415	57,951	464	68,404
Total Street Maintenance	<u>459,286</u>	<u>329,258</u>	<u>330,622</u>	<u>(1,364)</u>	<u>413,643</u>
Snow and ice removal					
Personal services	28,674	29,625	29,973	348	30,831
Supplies	30,000	13,325	13,326	(1)	33,892
Other services	34,000	30,728	30,721	(7)	40,403
Total Snow and Ice Removal	<u>92,674</u>	<u>73,678</u>	<u>74,020</u>	<u>340</u>	<u>105,126</u>
TOTAL STREETS AND HIGHWAYS	<u>551,960</u>	<u>402,936</u>	<u>404,642</u>	<u>(1,024)</u>	<u>518,769</u>
ECONOMIC CHARGES					
Other charges	<u>48,500</u>	<u>48,500</u>	<u>48,500</u>	<u>-</u>	<u>175,137</u>
MISCELLANEOUS					
Other charges	<u>15,300</u>	<u>15,800</u>	<u>15,800</u>	<u>-</u>	<u>22,817</u>
TOTAL CURRENT	<u>2,238,375</u>	<u>2,132,103</u>	<u>2,191,804</u>	<u>(59,026)</u>	<u>2,337,629</u>
CAPITAL OUTLAY					
General government	-	5,500	5,500	-	13,729
Public safety	-	-	125,310	(125,310)	34,560
Streets and highways	240,000	126,784	404,533	(277,749)	115,455
TOTAL CAPITAL OUTLAY	<u>240,000</u>	<u>132,284</u>	<u>535,343</u>	<u>(403,059)</u>	<u>163,744</u>
TOTAL EXPENDITURES	<u>2,478,375</u>	<u>2,264,387</u>	<u>2,727,147</u>	<u>(462,085)</u>	<u>2,501,373</u>
EXCESS OF REVENUE (UNDER) OVER EXPENDITURES	<u>(99,085)</u>	<u>329,611</u>	<u>(87,948)</u>	<u>(416,899)</u>	<u>(265,438)</u>
OTHER FINANCING (USES) SOURCES					
Transfers in	421,000	421,000	1,161,013	740,013	-
Transfers out	<u>-</u>	<u>-</u>	<u>(33,358)</u>	<u>(33,358)</u>	<u>(155,395)</u>
TOTAL OTHER FINANCING (USES) SOURCES	<u>421,000</u>	<u>421,000</u>	<u>1,127,655</u>	<u>706,655</u>	<u>(155,395)</u>
NET CHANGE IN FUND BALANCES	321,915	750,611	1,039,707	289,756	(420,833)
FUND BALANCES, JANUARY 1	553,192	553,192	553,192	-	974,525
EQUITY TRANSFER	<u>-</u>	<u>-</u>	<u>232,497</u>	<u>232,497</u>	<u>(500)</u>
FUND BALANCES, DECEMBER 31	<u>\$ 875,107</u>	<u>\$ 1,303,803</u>	<u>\$ 1,825,396</u>	<u>\$ 522,253</u>	<u>\$ 553,192</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMPARATIVE BALANCE SHEETS**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**ECONOMIC DEVELOPMENT AUTHORITY**

	DECEMBER 31,	
	2020	2019
<u>ASSETS</u>		
Cash and cash equivalents	\$ 82,892	\$ 118,144
Notes/leases	103,571	62,834
<b>TOTAL ASSETS</b>	<b><u>\$ 186,463</u></b>	<b><u>\$ 180,978</u></b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
LIABILITIES	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES	103,571	62,834
FUND BALANCES		
Restricted	82,892	118,144
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 186,463</u></b>	<b><u>\$ 180,978</u></b>
 Total fund balances - governmental activities	 \$ 82,892	 \$ 118,144
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported as assets in the funds.	142,960	143,266
Long-term assets are not available to pay current period expenditures and, therefore, are deferred in the fund.		
Notes/leases	103,571	62,834
<b>Total net assets - governmental activities</b>	<b><u>\$ 329,423</u></b>	<b><u>\$ 324,244</u></b>



**CITY OF PLAINVIEW, MINNESOTA**  
**COMPARATIVE SCHEDULES OF REVENUE, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**ECONOMIC DEVELOPMENT AUTHORITY**

	YEAR ENDED DECEMBER 31,	
	2020	2019
<b>REVENUE</b>		
Investment earnings	\$ 87	\$ 109
Miscellaneous		
Contributions and donations	48,500	56,750
Loan repayments	11,148	14,853
Rent	37,883	32,871
Other	5,287	5,428
<b>TOTAL REVENUE</b>	<b>102,905</b>	<b>110,011</b>
<b>EXPENDITURES</b>		
Current		
Personal services	46,154	47,556
Repair and maintenance	19,749	9,879
Utilities	9,276	9,541
Insurance	2,314	2,287
Loans issued	50,000	20,000
Property taxes	7,945	7,748
Other services and charges	2,719	740
<b>TOTAL EXPENDITURES</b>	<b>138,157</b>	<b>97,751</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(35,252)</b>	<b>12,260</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>118,144</b>	<b>105,884</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 82,892</b>	<b>\$ 118,144</b>
Net change in fund balances - governmental funds	\$ (35,252)	\$ 12,260
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.		
Capital outlay		
Depreciation and amortization expense	(307)	(3,996)
Governmental funds report loans made as expenditures as they require the use of current financial resources, but result in an asset and, therefore, are not reported as expenses in the statement of activities.		
Net loans made	50,000	20,000
Net loans payments received	(9,262)	(12,677)
<b>Change in net assets - governmental activities</b>	<b>\$ 5,179</b>	<b>\$ 15,587</b>

**CITY OF PLAINVIEW, MINNESOTA**  
**SUMMARY FINANCIAL REPORT**  
**REVENUE AND EXPENDITURES FOR GENERAL OPERATIONS**  
**GOVERNMENTAL FUNDS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020 Totals	2019 Totals	Percent Increase (Decrease)
<b>REVENUE</b>			
Taxes	\$ 2,488,410	\$ 2,406,684	3.40 %
Licenses and permits	47,781	24,526	94.82
Intergovernmental	1,229,001	933,182	31.70
Charges for services	157,901	294,974	(46.47)
Fines and forfeits	9,233	14,041	(34.24)
Investment earnings	88,060	125,378	(29.76)
Miscellaneous	212,667	138,296	53.78
<b>TOTAL REVENUE</b>	<b><u>\$ 4,233,053</u></b>	<b><u>\$ 3,937,081</u></b>	<b><u>7.52</u></b>
Per Capita Population: 3,340 per 2010 census	1,267	1,179	7.52
<b>EXPENDITURES</b>			
Current			
General government	\$ 764,717	\$ 656,570	16.47
Public safety	1,051,131	1,116,713	(5.87)
Streets and highways	610,662	518,769	17.71
Culture and recreation	417,506	512,005	(18.46)
Economic development	111,138	271,082	(59.00)
Cemetery	39,417	29,229	34.86
Miscellaneous	15,800	22,817	(30.75)
Capital outlay			
General government	242,446	13,729	1665.94
Public safety	125,310	34,560	262.59
Streets and highways	3,917,664	317,202	1135.07
Culture and recreation	126,003	191,540	(34.22)
Debt services			
Principal	1,044,000	212,000	392.45
Interest and other charges	92,361	79,806	15.73
Other services	-	5,967	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 8,558,155</u></b>	<b><u>\$ 3,981,989</u></b>	<b><u>114.92</u></b>
Per Capita	2,562	1,192	114.92
Total Long-term Indebtedness	4,000,000	2,140,000	86.92
Per Capita	1,198	641	86.92
General Fund Balance - December 31	1,825,396	553,192	229.98
Per Capita	547	166	229.98

The purpose of this report is to provide a summary of financial information concerning the City of Plainview to interested citizens. The complete financial statements may be examined at City Hall, 241 West Broadway. Questions about this report should be directed to Vicki Axley, Finance Director at (507) 534-2229.

**CITY OF PLAINVIEW, MINNESOTA**

**OTHER REPORTS**



## MINNESOTA LEGAL COMPLIANCE INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Plainview  
Plainview, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plainview, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2021.

*The Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65, contains seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, tax increment financing and miscellaneous provisions. Our audit included all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. Our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Plainview's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor, and is not intended to be and should not be used by anyone other than those specified parties.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
June 17, 2021

## **REPORT ON INTERNAL CONTROL**

Honorable Mayor and City Council  
City of Plainview  
Plainview, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Plainview, Minnesota (the City), as of and for the year ended December 31, 2020, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 17, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

*A significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following to be significant deficiencies:

## **Management's Responsibility for Preparation of Financial Statements**

Program: City-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP-basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Recommendation: Obtain adequate training to prepare GAAP basis financial statements.

Management's Response: Training will be provided.

## **Segregation of Duties**

Program: City-wide

Criteria: Separation of accounting duties is necessary for adequate internal control.

Condition: Separation of accounting duties for adjusting journal entries, cash receipts, cash disbursements, and payroll is currently limited to obtain an adequate internal control system.

Questioned Costs: Not applicable.

Context: The number of personnel limits the separation of accounting duties.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Recommendation: Management should monitor the accounting internal controls or hire additional personnel to be able to properly separate accounting duties.

Management's Response: The City has already taken measures to attempt to comply, even though the City is relatively small and the number of clerical/bookkeeping staff they can employ is limited. The Council has addressed this circumstances by active participation in the City's affairs. This includes approval of expenditures, regular review of financial statements, and budget comparisons.

## **Material Audit Adjustments**

Program: City-wide

Requirement: Generally accepted accounting principles.

Condition: Several material audit adjustments were required to prevent the City's financial statements from being materially misstated.

Questioned Costs: Not applicable.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Cause: Internal controls did not identify that an adjustment should be recorded.

Recommendation: Improve the City's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a monthly basis to detect material adjustments.

Management's Response: Management will review and gain an understanding of the audit adjustments in order to reduce the number of entries necessary for future audits.

The existence of significant deficiencies or material weaknesses may already be known to Management and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs to be incurred and related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions.

In order to provide oversight of the financial statement preparation services at an appropriate level, we suggest management establish effective review policies and procedures including the performance of the following functions:

- Review all supporting documentation and explanations for auditor proposed journal entries.
- Review the adequacy of financial statement disclosures by completing a disclosure checklist. Disclosure checklists are available from various sources or may be obtained from the auditor.
- Review schedules and calculations supporting amounts included in the notes to financial statements.
- Apply analytic procedures to the draft financial statements. Perform other procedures as considered necessary by management.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor, and is not intended to be and should not be used by anyone other than those specified parties.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
June 17, 2021