

**CITY OF PLAINVIEW, MINNESOTA**  
**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2022**

# CITY OF PLAINVIEW, MINNESOTA

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# CITY OF PLAINVIEW, MINNESOTA

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DECEMBER 31, 2022

### MEMBERS OF THE CITY COUNCIL

Mayor	Aaron Luckstein
Council	Lindsay Hammer Bartley
Council	Holly Reeve
Council	Ben Jacobs
Council	Andrea Kieffer
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 Audit of the Financial Statements**

#### ***Opinions***

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, 2022, 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 2021 financial statements and, in our report dated June 16, 2022, 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.

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, 2022, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Plainview and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Plainview's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Plainview's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Plainview's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 12 and the budgetary comparison information and schedules of proportionate share of pension liability and contributions on pages 48 through 51 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.

## Supplementary 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 combining and individual nonmajor fund financial statements and schedules 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.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
June 21, 2023

**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, 2022.

### Financial Highlights

- The City had two projects in process in 2022:
  - 2020 Street and Utility Improvement project
  - 2023 Street and Utility Improvement project
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$17,328,411 (net position). Of this amount, \$4,329,101 (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 \$868,993, as compared to an increase of \$1,254,453 in the prior year. The current year increase is attributable to governmental activities net position increasing \$711,796 and business-type activities net position increasing \$157,197.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,088,400, an increase of \$474,519.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$616,169, or 21.03 percent of total General fund expenditures. While these funds are not legally reserved, they are designated for future purposes.
- The City's total debt decreased by \$384,000, or 9.2 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 and sewer utilities.

The government-wide financial statements can be found on pages 13-14 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, Debt Service, and Street Improvement 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 15-18 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 and sewer utility 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 19-21 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 22-47 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 51-68 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 \$17,328,411 at the close of the most recent fiscal year.

A large portion of the City's net position (63 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 4,761,897	\$ 3,911,868	\$ 4,094,761	\$ 3,947,512	\$ 8,856,658	\$ 7,859,380
Capital assets	11,602,654	11,640,498	2,936,874	2,916,726	14,539,528	14,557,224
Deferred outflows	1,419,613	774,803	236,453	140,754	1,656,066	915,557
Total assets and deferred outflows	<u>17,784,164</u>	<u>16,327,169</u>	<u>7,268,088</u>	<u>7,004,992</u>	<u>25,052,252</u>	<u>23,332,161</u>
Long-term liabilities outstanding	3,730,196	4,079,389	148,958	162,076	3,879,154	4,241,465
Net pension liability	2,411,191	673,363	401,612	122,326	2,812,803	795,689
Other liabilities	669,351	305,823	208,182	234,374	877,533	540,197
Deferred inflows	89,279	1,096,243	65,072	199,149	154,351	1,295,392
Total liabilities and deferred inflows	6,900,017	6,154,818	823,824	717,925	7,723,841	6,872,743
Net investment in capital assets	7,972,654	7,640,498	2,837,831	2,765,304	10,810,485	10,405,802
Restricted	2,227,204	2,159,496			2,227,204	2,159,496
Unrestricted	684,289	372,357	3,606,433	3,521,763	4,290,722	3,894,120
<b>Total net position</b>	<b><u>\$ 10,884,147</u></b>	<b><u>\$ 10,172,351</u></b>	<b><u>\$ 6,444,264</u></b>	<b><u>\$ 6,287,067</u></b>	<b><u>\$ 17,328,411</u></b>	<b><u>\$ 16,459,418</u></b>

An additional portion of the City's net position (12.85%) 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 \$711,796 thereby accounting for 82% of the total growth in the net position of the City.

### Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenue</b>						
Program revenue						
Charges for services	412,052	366,644	2,183,629	2,235,603	2,595,681	2,602,247
Operating grants and contributions	316,267	391,149	-	-	316,267	391,149
General revenue						
Property taxes/tax increments	2,459,632	2,357,927	-	-	2,459,632	2,357,927
Grants and contributions not restricted to specific programs	1,007,030	964,953	-	-	1,007,030	964,953
Unrestricted investment earnings	50,889	34,785	7,109	22,248	57,998	57,033
Other revenue	2,165	2,068	-	-	2,165	2,068
<b>Total Revenue</b>	<b>4,248,035</b>	<b>4,117,526</b>	<b>2,190,738</b>	<b>2,257,851</b>	<b>6,438,773</b>	<b>6,375,377</b>
<b>Expenses</b>						
General government	818,585	680,117	-	-	818,585	680,117
Public safety	1,557,343	1,298,515	-	-	1,557,343	1,298,515
Streets and highways	760,635	796,520	-	-	760,635	796,520
Culture and recreation	722,320	786,293	-	-	722,320	786,293
Economic development	208,819	69,059	-	-	208,819	69,059
Cemetery and miscellaneous	61,399	65,261	-	-	61,399	65,261
Interest on long-term debt	77,262	86,630	-	-	77,262	86,630
Water utility	-	-	407,945	346,222	407,945	346,222
Sewer utility	-	-	955,472	992,307	955,472	992,307
<b>Total Expenses</b>	<b>4,206,363</b>	<b>3,782,395</b>	<b>1,363,417</b>	<b>1,338,529</b>	<b>5,569,780</b>	<b>5,120,924</b>
<b>Change in Net Position</b>	<b>41,672</b>	<b>335,131</b>	<b>827,321</b>	<b>919,322</b>	<b>868,993</b>	<b>1,254,453</b>
Net position - January 1	10,172,351	9,071,271	6,287,067	6,133,694	16,459,418	15,204,965
Transfers	670,124	765,949	(670,124)	(765,949)	-	-
<b>Net position - December 31</b>	<b>\$ 10,884,147</b>	<b>\$ 10,172,351</b>	<b>\$ 6,444,264</b>	<b>\$ 6,287,067</b>	<b>\$ 17,328,411</b>	<b>\$ 16,459,418</b>

**Business-type Activities.** Business-type activities increased the City's net position by \$157,197. Key elements of this increase are as follows:

- The Water fund had a net loss of \$47,527 and the Sewer fund had a net income of \$204,724

## 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 \$4,088,400 an increase of \$474,519 in comparison with the prior year. Approximately \$575,369 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.

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 \$1,121,383, of which \$616,169 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 38.3 percent of fund expenditures.

**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 \$3,644,812. The total increase in net position for the funds was \$157,197. 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, 2022, amounts to \$14,539,528 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads and highways. The total decrease in the City's investment in capital assets for the current fiscal year was \$17,696.

### Capital Assets Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 86,382	\$ 86,382	\$ 10,250	\$ 10,250	\$ 96,632	\$ 96,632
Buildings and improvements	2,539,411	2,604,175	-	-	2,539,411	2,604,175
Systems and infrastructure	3,661,203	2,677,568	2,656,250	2,752,337	6,317,453	5,429,905
Equipment and machinery	2,001,528	2,157,995	270,374	154,139	2,271,902	2,312,134
Construction in progress	3,314,130	4,114,378	-	-	3,314,130	4,114,378
<b>Total</b>	<b>\$ 11,602,654</b>	<b>\$ 11,640,498</b>	<b>\$ 2,936,874</b>	<b>\$ 2,916,726</b>	<b>\$ 14,539,528</b>	<b>\$ 14,557,224</b>

### Outstanding Debt

**Long-Term Debt**. At the end of the current fiscal year, the City had total bonded debt outstanding of \$3,767,422 of which \$3,630,000 was general obligation debt and \$137,422 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 3,630,000	\$ 4,000,000	\$ -	\$ -	\$ 3,630,000	\$ 4,000,000
General obligation revenue bonds	-	-	137,422	151,422	137,422	151,422
<b>Total</b>	<b>\$ 3,630,000</b>	<b>\$ 4,000,000</b>	<b>\$ 137,422</b>	<b>\$ 151,422</b>	<b>\$ 3,767,422</b>	<b>\$ 4,151,422</b>

The City's total debt decreased by \$384,000, or 9.2 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 67-68.

### **Economic Factors**

Market values in Plainview remained strong and unemployment rates remained low. Inflationary factors are a concern that we have been monitoring. The City continues to work in conjunction with the Plainview EDA to try to bring new businesses and jobs to the community as well as help existing businesses grow and expand.

Affordable residential housing continues to be a concern but continued growth in the East Winds II Subdivision and Orchard Hills 7th & 8th Subdivisions continue to help the community's housing shortage. A potential housing development project is 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, 2022**

	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	\$ 4,560,588	\$ 2,870,739	\$ 7,431,327	\$ 107,945
Investments	1,102,098	-	1,102,098	-
Receivables				
Interest	11,589	-	11,589	-
Delinquent taxes	36,066	-	36,066	-
Accounts, net	27,854	183,815	211,669	-
Leases receivable	-	50,201	50,201	69,064
Intergovernmental	13,708	-	13,708	-
Internal balances	(990,006)	990,006	-	-
Capital assets not being depreciated				
Land	86,382	10,250	96,632	15,798
Construction in progress	3,314,130	-	3,314,130	-
Capital assets (net of accumulated depreciation)				
Buildings and improvements	2,539,411	-	2,539,411	198,873
Systems and infrastructure	3,661,203	2,656,250	6,317,453	-
Equipment and machinery	2,001,528	270,374	2,271,902	3,151
<b>TOTAL ASSETS</b>	<b>16,364,551</b>	<b>7,031,635</b>	<b>23,396,186</b>	<b>394,831</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PERA pension	1,419,613	236,453	1,656,066	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
	<b><u>\$ 17,784,164</u></b>	<b><u>\$ 7,268,088</u></b>	<b><u>\$25,052,252</u></b>	<b><u>\$ 394,831</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 235,343	\$ 203,998	\$ 439,341	\$ -
Accrued interest payable	31,920	965	32,885	-
Unearned revenue	369,712	-	369,712	-
Accrued wages payable	32,376	3,219	35,595	-
Noncurrent liabilities				
Due within one year	394,548	15,000	409,548	-
Due in more than one year	3,335,648	133,958	3,469,606	-
Net pension liability	2,411,191	401,612	2,812,803	-
<b>TOTAL LIABILITIES</b>	<b>6,810,738</b>	<b>758,752</b>	<b>7,569,490</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	-	50,201	50,201	-
PERA pension	89,279	14,871	104,150	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>89,279</b>	<b>65,072</b>	<b>154,351</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	7,972,654	2,799,452	10,772,106	217,822
Restricted - expendable	2,110,721	-	2,110,721	177,009
Restricted - nonexpendable	116,483	-	116,483	-
Unrestricted	684,289	3,644,812	4,329,101	-
<b>TOTAL NET POSITION</b>	<b>10,884,147</b>	<b>6,444,264</b>	<b>17,328,411</b>	<b>394,831</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
	<b><u>\$ 17,784,164</u></b>	<b><u>\$ 7,268,088</u></b>	<b><u>\$25,052,252</u></b>	<b><u>\$ 394,831</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, 2022**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit Economic Development Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
Governmental Activities								
General government	\$ 818,585	\$ 15,645	\$ 45	\$ -	\$ (802,895)		\$ (802,895)	
Public safety	1,557,343	114,228	249,628	-	(1,193,487)		(1,193,487)	
Streets and highways	760,635	89,909	-	-	(670,726)		(670,726)	
Culture and recreation	722,320	96,095	66,474	-	(559,751)		(559,751)	
Economic development	208,819	80,300	-	-	(128,519)		(128,519)	
Cemetery and miscellaneous	61,399	15,875	120	-	(45,404)		(45,404)	
Interest and other	77,262	-	-	-	(77,262)		(77,262)	
Total Governmental Activities	<u>4,206,363</u>	<u>412,052</u>	<u>316,267</u>	<u>-</u>	<u>(3,478,044)</u>		<u>(3,478,044)</u>	
Business-Type Activities								
Water	407,945	693,219	-	-	-	285,274	285,274	
Sewer	955,472	1,490,410	-	-	-	534,938	534,938	
Total Business-Type Activities	<u>1,363,417</u>	<u>2,183,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>820,212</u>	<u>820,212</u>	
<b>Total Primary Government</b>	<b><u>\$ 5,569,780</u></b>	<b><u>\$ 2,595,681</u></b>	<b><u>\$ 316,267</u></b>	<b><u>\$ -</u></b>	<b><u>(3,478,044)</u></b>	<b><u>820,212</u></b>	<b><u>(2,657,832)</u></b>	
<b>Component Unit</b>								
Economic Development Authority	<b><u>\$ 47,264</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 49,282</u></b>	<b><u>\$ -</u></b>				<b><u>\$ 2,018</u></b>
General Revenue								
Property taxes, levied for general purposes					2,225,560	-	2,225,560	-
Property taxes, levied for debt service					202,448	-	202,448	-
Tax increments					31,624	-	31,624	-
Grants and contributions not restricted to specific programs					1,007,030	-	1,007,030	-
Unrestricted investment earnings					50,889	7,109	57,998	244
Other revenue					2,165	-	2,165	52,979
Transfers					670,124	(670,124)	-	-
Total General Revenue and Transfers					<u>4,189,840</u>	<u>(663,015)</u>	<u>3,526,825</u>	<u>53,223</u>
Change in Net Position					711,796	157,197	868,993	55,241
Net Position, January 1					<u>10,172,351</u>	<u>6,287,067</u>	<u>16,459,418</u>	<u>339,590</u>
<b>Net Position, December 31</b>					<b><u>\$ 10,884,147</u></b>	<b><u>\$ 6,444,264</u></b>	<b><u>\$ 17,328,411</u></b>	<b><u>\$ 394,831</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, 2022**

<u>ASSETS</u>	General	Street Improvement Fund	Debt Service	Cemetery	Nonmajor Governmental Funds	Totals
Cash and cash equivalents	\$ 2,143,921	\$ 687,546	\$ 419,076	\$ 167,249	\$ 1,142,796	\$ 4,560,588
Investments	360,995	621,000	-	-	120,103	1,102,098
Receivables						
Interest	-	11,589	-	-	-	11,589
Delinquent taxes	36,066	-	-	-	-	36,066
Accounts, net	27,449	-	-	-	405	27,854
Intergovernmental	13,708	-	-	-	-	13,708
	<u>13,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,708</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,582,139</u></b>	<b><u>\$ 1,320,135</u></b>	<b><u>\$ 419,076</u></b>	<b><u>\$ 167,249</u></b>	<b><u>\$ 1,263,304</u></b>	<b><u>\$ 5,751,903</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
<b>LIABILITIES</b>						
Accounts payable	\$ 36,920	\$ -	\$ -	\$ 144,625	\$ 53,798	\$ 235,343
Unearned revenue	369,712	-	-	-	-	369,712
Accrued wages payable	28,052	-	-	-	4,324	32,376
Advance from other funds	990,006	-	-	-	-	990,006
<b>TOTAL LIABILITIES</b>	<b><u>1,424,690</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>144,625</u></b>	<b><u>58,122</u></b>	<b><u>1,627,437</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - tax roll	36,066	-	-	-	-	36,066
 <b>FUND BALANCES (DEFICITS)</b>						
Nonspendable	-	-	-	-	116,483	116,483
Restricted	102,611	1,320,135	419,076	-	268,899	2,110,721
Committed	401,568	-	-	22,624	861,635	1,285,827
Assigned	1,035	-	-	-	-	1,035
Unassigned	616,169	-	-	-	(41,835)	574,334
<b>TOTAL FUND BALANCES</b>	<b><u>1,121,383</u></b>	<b><u>1,320,135</u></b>	<b><u>419,076</u></b>	<b><u>22,624</u></b>	<b><u>1,205,182</u></b>	<b><u>4,088,400</u></b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	 <b><u>\$ 2,582,139</u></b>	 <b><u>\$ 1,320,135</u></b>	 <b><u>\$ 419,076</u></b>	 <b><u>\$ 167,249</u></b>	 <b><u>\$ 1,263,304</u></b>	 <b><u>\$ 5,751,903</u></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, 2022**

Total fund balances - governmental funds	\$ 4,088,400
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.	11,602,654
Deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in the fund statements.	1,330,334
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.	
Long-term liabilities at year-end consist of:	
Bonds and notes payable	(3,630,000)
Compensated absences payable	(100,196)
Pension obligations payable	(2,411,191)
Long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.	
Delinquent property taxes receivable	36,066
Governmental funds do not report a liability for accrued interest until due and payable	<u>(31,920)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ 10,884,147</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, 2022**

	General	Street Improvement Fund	Debt Service	Cemetery	Nonmajor Governmental Funds	Totals
<b>REVENUE</b>						
Taxes	\$ 1,420,588	\$ 149,252	\$ 202,448	\$ 30,390	\$ 696,474	\$ 2,499,152
Licenses and permits	73,517	-	-	-	-	73,517
Intergovernmental	936,190	-	-	-	91,964	1,028,154
Charges for services	137,044	-	-	11,865	108,477	257,386
Fines and forfeitures	14,388	-	-	-	177	14,565
Investment earnings	51,600	(1,932)	-	-	1,221	50,889
Miscellaneous	224,670	-	-	3,130	87,887	315,687
<b>TOTAL REVENUE</b>	<u>2,857,997</u>	<u>147,320</u>	<u>202,448</u>	<u>45,385</u>	<u>986,200</u>	<u>4,239,350</u>
<b>EXPENDITURES</b>						
Current						
General government	785,371	-	-	-	-	785,371
Public safety	1,217,106	-	-	-	104,574	1,321,680
Streets and highways	487,782	-	-	-	-	487,782
Culture and recreation	-	-	-	-	607,643	607,643
Economic development	191,538	-	-	-	17,242	208,780
Cemetery	-	-	-	42,399	-	42,399
Miscellaneous	25,300	-	-	-	-	25,300
Capital outlay						
General government	133,117	-	-	-	-	133,117
Public safety	31,824	-	-	-	9,771	41,595
Streets and highways	57,924	-	-	-	114,159	172,083
Culture and recreation	-	-	-	158,671	-	158,671
Debt service						
Principal	-	-	370,000	-	-	370,000
Interest and other charges	-	-	80,534	-	-	80,534
<b>TOTAL EXPENDITURES</b>	<u>2,929,962</u>	<u>-</u>	<u>450,534</u>	<u>201,070</u>	<u>853,389</u>	<u>4,434,955</u>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<u>(71,965)</u>	<u>147,320</u>	<u>(248,086)</u>	<u>(155,685)</u>	<u>132,811</u>	<u>(195,605)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	114,169	-	261,374	156,286	368,750	900,579
Transfers (out)	(13,286)	(60,000)	-	-	(157,169)	(230,455)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>100,883</u>	<u>(60,000)</u>	<u>261,374</u>	<u>156,286</u>	<u>211,581</u>	<u>670,124</u>
<b>NET CHANGE IN FUND BALANCES</b>	28,918	87,320	13,288	601	344,392	474,519
<b>FUND BALANCES, JANUARY 1</b>	<u>1,092,465</u>	<u>1,232,815</u>	<u>405,788</u>	<u>22,023</u>	<u>860,790</u>	<u>3,613,881</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,121,383</u>	<u>\$ 1,320,135</u>	<u>\$ 419,076</u>	<u>\$ 22,624</u>	<u>\$ 1,205,182</u>	<u>\$ 4,088,400</u>

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, 2022**

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

Net change in fund balances - governmental funds	\$ 474,519
<p>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.</p>	
Capital outlay	505,466
Depreciation expense	(528,080)
Items not capitalized on statement of activities	(15,230)
<p>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.</p>	
Principal repayments	370,000
<p>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.</p>	
	3,272
<p>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.</p>	
Property taxes	8,710
<p>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.</p>	
Pension expense	(86,054)
Compensated absences	(20,807)
	(106,861)
<b>Change in net position - governmental activities</b>	<b>\$ 711,796</b>

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, 2022 AND 2021**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Business-Type Activities - Enterprise Funds					
	601 Water		602 Sewer		Totals	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 1,225,825	\$ 1,272,473	\$ 1,644,914	\$ 1,037,047	\$ 2,870,739	\$ 2,309,520
Investments	-	-	-	415,000	-	415,000
Interest receivable	-	-	-	9,512	-	9,512
Accounts receivable, net	72,996	73,384	110,819	115,090	183,815	188,474
Lease receivable	11,822	-	-	-	11,822	-
<b>TOTAL CURRENT ASSETS</b>	<u>1,310,643</u>	<u>1,345,857</u>	<u>1,755,733</u>	<u>1,576,649</u>	<u>3,066,376</u>	<u>2,922,506</u>
<b>NONCURRENT ASSETS</b>						
<b>Capital assets, at cost</b>						
Land	10,250	10,250	-	-	10,250	10,250
Systems and infrastructure	3,980,067	3,980,067	640,449	640,449	4,620,516	4,620,516
Equipment and machinery	431,593	328,027	123,834	66,933	555,427	394,960
Less accumulated depreciation	(1,980,662)	(1,869,542)	(268,657)	(239,458)	(2,249,319)	(2,109,000)
<b>Total capital assets (net of accumulated depreciation)</b>	<u>2,441,248</u>	<u>2,448,802</u>	<u>495,626</u>	<u>467,924</u>	<u>2,936,874</u>	<u>2,916,726</u>
Lease receivable, non-current	38,379	-	-	-	38,379	-
Advance to other fund	-	-	990,006	1,025,006	990,006	1,025,006
<b>TOTAL NONCURRENT ASSETS</b>	<u>2,479,627</u>	<u>2,448,802</u>	<u>1,485,632</u>	<u>1,492,930</u>	<u>3,965,259</u>	<u>3,941,732</u>
<b>TOTAL ASSETS</b>	<u>3,790,270</u>	<u>3,794,659</u>	<u>3,241,365</u>	<u>3,069,579</u>	<u>7,031,635</u>	<u>6,864,238</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
PERA pension	114,113	66,443	122,340	74,311	236,453	140,754
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 3,904,383</u>	<u>\$ 3,861,102</u>	<u>\$ 3,363,705</u>	<u>\$ 3,143,890</u>	<u>\$ 7,268,088</u>	<u>\$ 7,004,992</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 5,541	\$ 226	\$ 198,457	\$ 230,476	\$ 203,998	\$ 230,702
Accrued interest payable	965	1,095	-	-	965	1,095
Accrued wages and taxes payable	1,968	1,394	1,251	1,183	3,219	2,577
Bonds payable - current portion	15,000	14,000	-	-	15,000	14,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>23,474</u>	<u>16,715</u>	<u>199,708</u>	<u>231,659</u>	<u>223,182</u>	<u>248,374</u>
<b>NONCURRENT LIABILITIES</b>						
Compensated absences payable - noncurrent	2,061	2,457	9,475	8,197	11,536	10,654
Net pension liability	193,819	57,744	207,793	64,582	401,612	122,326
Bonds payable - noncurrent	122,422	137,422	-	-	122,422	137,422
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>318,302</u>	<u>197,623</u>	<u>217,268</u>	<u>72,779</u>	<u>535,570</u>	<u>270,402</u>
<b>TOTAL LIABILITIES</b>	<u>341,776</u>	<u>214,338</u>	<u>416,976</u>	<u>304,438</u>	<u>758,752</u>	<u>518,776</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Leases	50,201	-	-	-	50,201	-
PERA pension	7,177	94,008	7,694	105,141	14,871	199,149
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>57,378</u>	<u>94,008</u>	<u>7,694</u>	<u>105,141</u>	<u>65,072</u>	<u>199,149</u>
<b>NET POSITION</b>						
Net investment in capital assets	2,303,826	2,297,380	495,626	467,924	2,799,452	2,765,304
Unrestricted	1,201,403	1,255,376	2,443,409	2,266,387	3,644,812	3,521,763
<b>TOTAL NET POSITION</b>	<u>3,505,229</u>	<u>3,552,756</u>	<u>2,939,035</u>	<u>2,734,311</u>	<u>6,444,264</u>	<u>6,287,067</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 3,904,383</u>	<u>\$ 3,861,102</u>	<u>\$ 3,363,705</u>	<u>\$ 3,143,890</u>	<u>\$ 7,268,088</u>	<u>\$ 7,004,992</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, 2022 AND 2021**

	Business-Type Activities - Enterprise Funds					
	601 Water		602 Sewer		Totals	
	2022	2021	2022	2021	2022	2021
<b>OPERATING REVENUE</b>						
Charges for services	\$ 510,905	\$ 530,571	\$ 1,467,067	\$ 1,512,081	\$ 1,977,972	\$ 2,042,652
<b>OPERATING EXPENSES</b>						
Salaries and benefits	89,735	90,734	92,433	96,999	182,168	187,733
Supplies and repairs	99,931	75,508	26,248	51,097	126,179	126,605
Other services and charges	50,231	24,480	793,656	807,793	843,887	832,273
Insurance	8,643	8,561	4,981	5,174	13,624	13,735
Utilities	45,494	42,017	8,955	8,148	54,449	50,165
Depreciation	111,120	100,763	29,199	23,096	140,319	123,859
<b>TOTAL OPERATING EXPENSES</b>	<u>405,154</u>	<u>342,063</u>	<u>955,472</u>	<u>992,307</u>	<u>1,360,626</u>	<u>1,334,370</u>
<b>OPERATING INCOME</b>	<u>105,751</u>	<u>188,508</u>	<u>511,595</u>	<u>519,774</u>	<u>617,346</u>	<u>708,282</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>						
Connection fees	15,000	11,500	15,000	12,500	30,000	24,000
Other income	155,745	155,341	8,343	1,037	164,088	156,378
Investment earnings	2,261	-	4,848	22,248	7,109	22,248
Rental income	11,569	12,573	-	-	11,569	12,573
Interest and other expense	(2,791)	(4,159)	-	-	(2,791)	(4,159)
<b>TOTAL NONOPERATING REVENUE</b>	<u>181,784</u>	<u>175,255</u>	<u>28,191</u>	<u>35,785</u>	<u>209,975</u>	<u>211,040</u>
<b>OPERATING TRANSFER (OUT)</b>	<u>(335,062)</u>	<u>(382,974)</u>	<u>(335,062)</u>	<u>(382,975)</u>	<u>(670,124)</u>	<u>(765,949)</u>
<b>CHANGE IN NET POSITION</b>	(47,527)	(19,211)	204,724	172,584	157,197	153,373
<b>NET POSITION, JANUARY 1</b>	<u>3,552,756</u>	<u>3,571,967</u>	<u>2,734,311</u>	<u>2,561,727</u>	<u>6,287,067</u>	<u>6,133,694</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 3,505,229</u>	<u>\$ 3,552,756</u>	<u>\$ 2,939,035</u>	<u>\$ 2,734,311</u>	<u>\$ 6,444,264</u>	<u>\$ 6,287,067</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, 2022 AND 2021**

	Business-Type Activities - Enterprise Funds					
	601 Water		602 Sewer		Totals	
	2022	2021	2022	2021	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 526,293	\$ 540,707	\$ 1,480,850	\$ 1,503,705	\$ 2,007,143	\$ 2,044,412
Payments to suppliers and vendors	(198,984)	(154,402)	(868,124)	(829,872)	(1,067,108)	(984,274)
Payments to and on behalf of employees	(87,983)	(83,469)	(91,087)	(96,047)	(179,070)	(179,516)
Other receipts	167,314	167,914	23,343	13,537	190,657	181,451
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>406,640</u>	<u>470,750</u>	<u>544,982</u>	<u>591,323</u>	<u>951,622</u>	<u>1,062,073</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advance from (to) other fund	-	-	35,000	(1,025,006)	35,000	(1,025,006)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(103,566)	(98,574)	(56,901)	(53,511)	(160,467)	(152,085)
Net proceeds (to) other funds	(335,062)	(382,974)	(335,062)	(382,975)	(670,124)	(765,949)
Principal paid on long-term debt	(14,000)	(79,000)	-	-	(14,000)	(79,000)
Interest and fiscal charges paid	(2,921)	(4,902)	-	-	(2,921)	(4,902)
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(455,549)</u>	<u>(565,450)</u>	<u>(391,963)</u>	<u>(436,486)</u>	<u>(847,512)</u>	<u>(1,001,936)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received on cash and investments	2,261	-	4,848	22,248	7,109	22,248
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(46,648)</u>	<u>(94,700)</u>	<u>192,867</u>	<u>(847,921)</u>	<u>146,219</u>	<u>(942,621)</u>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>1,272,473</u>	<u>1,367,173</u>	<u>1,452,047</u>	<u>2,299,968</u>	<u>2,724,520</u>	<u>3,667,141</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><b>\$ 1,225,825</b></u>	<u><b>\$ 1,272,473</b></u>	<u><b>\$ 1,644,914</b></u>	<u><b>\$ 1,452,047</b></u>	<u><b>\$ 2,870,739</b></u>	<u><b>\$ 2,724,520</b></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating income	\$ 105,751	\$ 188,508	\$ 511,595	\$ 519,774	\$ 617,346	\$ 708,282
Adjustments to reconcile operating income to net cash provided by operating activities						
Other income related to operations	182,314	179,414	23,343	13,537	205,657	192,951
Depreciation	111,120	100,763	29,199	23,096	140,319	123,859
Decrease (increase) in assets:						
Accounts receivable	388	(1,364)	4,271	1,136	4,659	(228)
Interest receivable	-	-	9,512	(9,512)	9,512	(9,512)
Increase (decrease) in liabilities:						
Accounts payable	5,315	(3,836)	(32,019)	37,902	(26,704)	34,066
Accrued wages payable	574	642	68	269	642	911
Compensated absences payable	(396)	1,202	1,278	683	882	1,885
Pension related accounts	1,574	5,421	(2,265)	4,438	(691)	9,859
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>\$ 406,640</b></u>	<u><b>\$ 470,750</b></u>	<u><b>\$ 544,982</b></u>	<u><b>\$ 591,323</b></u>	<u><b>\$ 951,622</b></u>	<u><b>\$ 1,062,073</b></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS AND INVESTMENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</b>						
Cash and equivalents	\$ 1,225,825	\$ 1,272,473	\$ 1,644,914	\$ 1,037,047	\$ 2,870,739	\$ 2,309,520
Investments	-	-	-	415,000	-	415,000
<b>TOTAL CASH AND CASH EQUIVALENTS AND INVESTMENTS</b>	<u><b>\$ 1,225,825</b></u>	<u><b>\$ 1,272,473</b></u>	<u><b>\$ 1,644,914</b></u>	<u><b>\$ 1,452,047</b></u>	<u><b>\$ 2,870,739</b></u>	<u><b>\$ 2,724,520</b></u>

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, 2022**

**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.

The following circumstances set forth the City's financial accountability for a legally separate organization: the City is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

**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 pays the entire salary and benefit package for the Development Services Coordinator position 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 67 and 68 of this report.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**Basis of Presentation**

Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's proprietary funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the government has one discretely presented component unit. The EDA is not considered to be a major component unit and is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenue are reported as general revenue.

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 and proprietary. 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.

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.

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

*Cemetery Fund* - accounts for the activity related to the City's cemetery.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

**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.

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 revenue 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 revenue 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, 2022

**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, 2022

**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 2022. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts at December 31, 2022 was \$1,735 for the General Fund and \$4,307 for the Water and Sewer Enterprise Funds of the City.

**Due To/From Advance To/From Other Funds** - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance amount which indicates it is not expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

**Interfund Transactions** - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenue and expenses.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**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.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

**Prepays** - Prepaid items represent payments for goods or services for which benefits extend beyond December 31.

A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

**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 \$2,500 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.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**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.

**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.

**Deferred Outflows and Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The City has one item that qualifies for reporting in this category for the MN PERA pension. The MN PERA pension result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has two types of items, unavailable revenue, MN PERA pension which qualify for reporting in this category. Revenue on refunding arises under the accrual basis of accounting. The unavailable revenue is from three sources: property taxes levied for subsequent year, special assessments, and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period they become available. The MN PERA pension result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

**Estimates** - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Claims and Judgments** - They are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**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".

**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.

**Change in Accounting Principle** - The City has implemented GASB Statement No. 87, Leases, in 2022. At the beginning of the period, where the City was the lessor, leases recorded as operating leases under previous guidance were recorded in the statement of net position as deferred inflows of resources and corresponding lease receivables in the water fund in the amount of \$61,770. The change resulted in no adjustments to fund balance or net position.

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

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.

*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.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

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, 2022, fund balances are composed of the following:

	<u>PURPOSE</u>	<u>GENERAL FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Nonspendable				
Donor Restricted	Donor Specific			
Donations	Expenses	\$ -	\$ 116,483	\$ 116,483
Restricted:				
Debt Service	Debt Service		419,076	419,076
Capital Projects	Capital Projects	-	1,390,226	1,390,226
Other Purposes	Specific Expenses	-	198,808	198,808
Other Purposes	Economic Development	102,611	-	102,611
Committed:				
Public Safety	Public Safety	-	316,464	316,464
Capital Projects	Capital Projects	-	351,467	351,467
Housing	Housing	401,568	-	401,568
Culture, Recreation, and Education	Culture, Recreation, and education	-	216,328	216,328
Assigned:				
Capital Projects	Capital Projects	1,035	-	1,035
Unassigned:		616,169	(41,835)	574,334
<b>TOTAL FUND BALANCES</b>		<b><u>\$ 1,121,383</u></b>	<b><u>\$ 2,967,017</u></b>	<b><u>\$ 4,088,400</u></b>

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>NET POSITION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Governmental Activities		
<u>Restricted</u>		
General	Economic development	\$ 102,611
Special Revenue	Specific expenses	198,808
Debt Service	Principal and interest	419,076
Capital Projects	Capital Projects	1,390,226
<b>Total</b>		<b><u>\$ 2,210,871</u></b>

**Deficits**

The following individual funds had deficits at December 31, 2022:

2020 Street Project Fund	<b><u>\$ 41,835</u></b>
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The deficits will be funded by future revenue.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOE 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.

**Excess of Expenditures over Appropriations** - For the year ended December 31, 2022, expenditures exceeded appropriations in the following funds:

<u>FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>EXCESS IN EXPENDITURES (OVER) APPROPRIATIONS</u>
General Fund	\$ 2,923,641	\$ 2,929,962	\$ (6,321)
Special Revenue			
Library	282,136	282,852	(716)
Park	322,586	322,797	(211)
Cemetery	199,360	201,070	(1,710)

These over expenditures were funded by an excess of revenue 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.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

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.

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 \$7,431,327 and the bank balance was \$7,474,354. Of the bank balance, \$446,107 was covered by federal depository insurance. Of the remaining balance, \$7,028,247 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. The component unit had carrying amount of deposits of \$107,945 and the bank balance was \$107,806, all of which was covered by FDIC insurance.

**Investments** - As of December 31, 2022, 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	\$ 621,000	N/A	Less than one year
Non-pooled investments:			
SELCO Library Foundation	48,698	N/A	Less than one year
Time Certificates at Various Banks	432,400	N/A	More than one year
	<u>\$ 1,102,098</u>		

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

- 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 within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; 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.

**Cash and Investments Summary**

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

Deposits	\$ 7,431,127
Investments	1,102,098
Cash on Hand	<u>200</u>
<b>TOTAL</b>	<b><u>\$ 8,533,425</u></b>
Cash and cash equivalents	\$ 7,431,327
Investments	<u>1,102,098</u>
<b>TOTAL</b>	<b><u>\$ 8,533,425</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.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

- *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 revenue 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)	<u>\$ 36,066</u>	<u>\$ -</u>

**Capital Assets**

Capital asset balances and activity for the year ended December 31, 2022 are as follows:

	<u>BALANCE</u>		<u>ADDITIONS</u>		<u>RETIREMENTS</u>		<u>TRANSFERS</u>		<u>BALANCE</u>
	<u>1/1/22</u>								<u>12/31/22</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>									
<i>Capital assets not being depreciated:</i>									
Land	\$ 86,382	\$ -	-	\$ -	-	-	-	-	\$ 86,382
Construction in progress	<u>4,114,378</u>	<u>223,346</u>	<u>-</u>	<u>(1,023,594)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,314,130</u>
Total capital assets not being depreciated	<u>4,200,760</u>	<u>223,346</u>	<u>-</u>	<u>(1,023,594)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,400,512</u>
<i>Capital assets being depreciated</i>									
Buildings and improvements	3,731,893	17,029	-	-	-	-	-	-	3,748,922
Other improvements	4,638,799	210,777	-	1,023,594	-	-	-	-	5,873,170
Equipment and machinery	<u>4,930,776</u>	<u>39,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,969,860</u>
Total capital assets being depreciated	<u>13,301,468</u>	<u>266,890</u>	<u>-</u>	<u>1,023,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,591,952</u>
Less accumulated depreciation for:									
Buildings and improvements	1,127,718	81,793	-	-	-	-	-	-	1,209,511
Other improvements	1,961,231	250,736	-	-	-	-	-	-	2,211,967
Equipment and machinery	<u>2,772,781</u>	<u>195,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,968,332</u>
Total accumulated depreciation	<u>5,861,730</u>	<u>528,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,389,810</u>
Total capital assets being depreciated, net	<u>7,439,738</u>	<u>(261,190)</u>	<u>-</u>	<u>1,023,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,202,142</u>
<b>GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS, NET</b>	<u><b>\$11,640,498</b></u>	<u><b>\$ (37,844)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$11,602,654</b></u>

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

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

General government	\$ 24,028
Public safety	135,342
Public works	262,281
Culture, recreation, and education	<u>106,429</u>
<b>Total</b>	<b><u>\$ 528,080</u></b>

	BALANCE 1/1/22	ADDITIONS	RETIREMENTS	BALANCE 12/31/22
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,250	\$ -	\$ -	\$ 10,250
<i>Capital assets being depreciated</i>				
Systems and infrastructure	4,620,516	-	-	4,620,516
Furniture and equipment	<u>394,960</u>	<u>160,467</u>	-	<u>555,427</u>
Total capital assets being depreciated	<u>5,015,476</u>	<u>160,467</u>	-	<u>5,175,943</u>
Less accumulated depreciation for:				
Systems and infrastructure	1,868,179	96,087	-	1,964,266
Furniture and equipment	<u>240,821</u>	<u>44,232</u>	-	<u>285,053</u>
Total accumulated depreciation	<u>2,109,000</u>	<u>140,319</u>	-	<u>2,249,319</u>
Total capital assets being depreciated, net	<u>2,906,476</u>	<u>20,148</u>	-	<u>2,926,624</u>
<b>BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS, NET</b>	<b><u>\$ 2,916,726</u></b>	<b><u>\$ 20,148</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,936,874</u></b>

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

Water	\$ 111,120
Sewer	<u>29,199</u>
<b>Total</b>	<b><u>\$ 140,319</u></b>

Capital Asset balances for the Component Unit at December 31, 2022, are as follows:

	BALANCE 1/1/22	ADDITIONS	RETIREMENTS	BALANCE 12/31/22
<b><u>COMPONENT UNIT</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 15,798	\$ -	\$ -	\$ 15,798
<i>Capital assets being depreciated</i>				
Buildings	153,727	85,952	-	239,679
Equipment	<u>6,540</u>	<u>-</u>	-	<u>6,540</u>
Total capital assets being depreciated	<u>160,267</u>	<u>85,952</u>	-	<u>246,219</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

	BALANCE 1/1/22	ADDITIONS	RETIREMENTS	BALANCE 12/31/22
<b><u>COMPONENT UNIT - Continued</u></b>				
Less accumulated depreciation for:				
Buildings	\$ 34,685	\$ 6,121	\$ -	\$ 40,806
Equipment	2,826	563	-	3,389
Total accumulated depreciation	37,511	6,684	-	44,195
Total capital assets being depreciated, net	122,756	79,268	-	202,024
<b>COMPONENT UNIT - CAPITAL ASSETS, NET</b>	<b>\$ 138,554</b>	<b>\$ 79,268</b>	<b>\$ -</b>	<b>\$ 217,822</b>

Depreciation by function:

Governmental Activities

Economic Development Authority

**\$ 6,684**

**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. Revenue 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	\$ 884,000	3.00%	05/01/2015	02/01/2030	\$ 728,000
G.O. Tax Abatement Note 2019A - direct borrowing	794,000	2.00%	12/02/2019	02/01/2031	721,000
G.O. Utility Revenue Bond 2020A	2,630,000	1.35%	05/19/2020	02/01/2031	2,181,000
<b>TOTAL G.O.</b>					<b>\$3,630,000</b>

**Default With Finance Related Consequences** - The 12/2/2019 note payable - direct borrowing contains a provision that in event of default, outstanding amounts become immediately due if the City is unable to make the payment.

**Subjective Acceleration Clause** - The 12/2/2019 note payable - direct borrowing contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**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 revenue of the enterprise funds.

DESCRIPTION	AUTHORIZED AND ISSUED	INTEREST RATE	ISSUE DATE	MATURITY DATE	BALANCE AT YEAR-END
G.O. Water Revenue MPFA-11-0036-R	165,422	1.93%	07/01/2011	08/20/2031	<u>\$ 137,442</u>

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

YEAR ENDING DECEMBER 31,	GOVERNMENTAL ACTIVITIES				
	BONDS		NOTES PAYABLE - DIRECT PLACEMENT		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2023	\$ 307,000	\$ 58,871	\$ 74,000	\$ 13,680	\$ 453,551
2024	310,000	52,215	75,000	12,190	449,405
2025	319,000	45,425	77,000	10,670	452,095
2026	328,000	38,417	78,000	9,120	453,537
2027	332,000	31,272	80,000	7,540	450,812
2028-2032	<u>1,313,000</u>	<u>51,645</u>	<u>337,000</u>	<u>13,650</u>	<u>1,715,295</u>
<b>TOTAL</b>	<b><u>\$2,909,000</u></b>	<b><u>\$ 277,845</u></b>	<b><u>\$ 721,000</u></b>	<b><u>\$ 66,850</u></b>	<b><u>\$3,974,965</u></b>

YEAR ENDING DECEMBER 31,	G.O. REVENUE BONDS		
	BUSINESS-TYPE ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2023	\$ 15,000	\$ 2,651	\$ 17,651
2024	15,000	3,362	18,362
2025	15,000	2,073	17,073
2026	15,000	1,783	16,783
2027	16,000	1,494	17,494
2028-2032	<u>61,442</u>	<u>2,970</u>	<u>64,412</u>
<b>TOTAL</b>	<b><u>\$ 137,442</u></b>	<b><u>\$ 14,333</u></b>	<b><u>\$ 151,775</u></b>

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2022 was as follows:

	BEGINNING	INCREASES	DECREASES	ENDING	DUE
	BALANCE			BALANCE	WITHIN ONE YEAR
GOVERNMENTAL					
General obligation bonds	\$ 3,206,000	\$ -	\$ (297,000)	\$2,909,000	\$ 307,000
Net pension liability	673,363	1,737,828	-	2,411,191	-
Notes payable - direct placement	794,000	-	(73,000)	721,000	74,000
Compensated absences	<u>79,389</u>	<u>20,807</u>	<u>-</u>	<u>100,196</u>	<u>13,548</u>
<b>GOVERNMENTAL ACTIVITY</b>					
<b>LONG-TERM LIABILITIES</b>	<b><u>\$ 4,752,752</u></b>	<b><u>\$ 1,758,635</u></b>	<b><u>\$ (370,000)</u></b>	<b><u>\$6,141,387</u></b>	<b><u>\$ 394,548</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

	<u>BEGINNING</u> <u>BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING</u> <u>BALANCE</u>	<u>DUE</u> <u>WITHIN</u> <u>ONE YEAR</u>
<b>BUSINESS-TYPE</b>					
Bonds payable					
General obligation revenue bonds	\$ 151,422	\$ -	\$ (14,000)	\$ 137,422	\$ 15,000
Net pension liability	122,326	279,286	-	401,612	-
Compensated absences	<u>10,654</u>	<u>882</u>	<u>-</u>	<u>11,536</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>LONG-TERM LIABILITIES</b>	<b><u>\$ 284,402</u></b>	<b><u>\$ 280,168</u></b>	<b><u>\$ (14,000)</u></b>	<b><u>\$ 550,570</u></b>	<b><u>\$ 15,000</u></b>

**Interfund Balance and Activity**

Interfund receivable and payable balances on December 31, 2022, are as follows:

<u>ADVANCE TO</u>	<u>ADVANCE FROM</u>	<u>AMOUNT</u>
General	Sewer	<b><u>\$ 990,006</u></b>

The principal purposes of these advances are capital projects and capital asset acquisition. For the statement of net position, advances which are owed within the governmental activities or business-type activities are netted and eliminated.

Interfund transfers at December 31, 2022, were as follows:

<u>FUND TRANSFERRED TO</u>	<u>FUND TRANSFERRED FROM</u>	<u>AMOUNT</u>
General	Capital Projects	\$ 14,169
General	Water	50,000
General	Sewer	50,000
Cemetery	Capital Projects	143,000
Cemetery	General	13,286
2023 Street Project	Street Reconstruction	60,000
Debt Service	Water	130,687
Debt Service	Sewer	130,687
Capital Projects	Water	150,000
Capital Projects	Sewer	150,000
2020 Street Project	Water	4,375
2020 Street Project	Sewer	4,375
<b>TOTAL</b>		<b><u>\$ 900,579</u></b>

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

**Tax Increment Districts**

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

	<u>TAX INCREMENT DISTRICT</u>	
	<u>NO. 8-28</u>	<u>NO. 10-42</u>
	<u>LEVAN 3 RIVERS</u>	<u>DOWNTOWN PROJECTS</u>
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	\$ 27	\$ 854
Current (approximate)	<u>19,045</u>	<u>8,332</u>
<b>CAPTURED - RETAINED</b>	<b><u>\$ 19,021</u></b>	<b><u>\$ 7,478</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 to 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.

**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.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**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 post-retirement increase is 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. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is 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. 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.

**Contributions**

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

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2022. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2022. The City's contributions to the GERF for the year ended December 31, 2022, were \$66,620. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$98,224. The City's contributions were equal to the required contributions as set by state statute.

**Pension Costs**

GERF Pension Costs

At December 31, 2022, the City reported a liability of \$863,284 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 \$25,265. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0109 percent at the end of the measurement period and 0.0118 percent for the beginning of the period.

City's proportionate share of the net pension liability	\$ 863,284
State of Minnesota's proportionate share of the net pension liability associated with the City	25,265
<b>TOTAL</b>	<b><u>\$ 888,549</u></b>

For the year ended December 31, 2022, the City recognized pension expense of \$124,088 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$3,775 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, 2022**

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

At December 31, 2022, 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	\$ 7,211	\$ 10,044
Changes in assumptions	211,021	4,058
Net differences between projected and actual earnings on pension plan investments	-	7,078
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	69,395
Employer contributions subsequent to the measurement date	36,290	-
<b>Total</b>	<b>\$ 254,522</b>	<b>\$ 90,575</b>

\$36,290 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, 2023. 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>
2023	\$ 37,707
2024	58,076
2025	(46,197)
2026	78,071

**PEPFF Pension Costs**

At December 31, 2022, the City reported a liability of \$1,949,519 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0448 percent at the end of the measurement period and 0.0378 percent for the beginning of the period.

The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in fire state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2021. 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. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

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 \$9 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 June 30, 2022, the City recognized pension expense of \$388,767 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$16,500 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 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 supplemental state aid. The City recognized \$85,062 for the year ended December 31, 2022 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, 2022, 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	\$ 112,210	\$ -
Changes in assumptions	1,084,061	11,141
Net differences between projected and actual earnings on pension plan investments	102,855	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,691	2,433
Employer contributions subsequent to the measurement date	52,727	-
<b>Total</b>	<b>\$1,401,544</b>	<b>\$13,574</b>

\$52,727 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, 2023. 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>
2023	\$ 266,799
2024	262,737
2025	241,480
2026	393,017
2027	171,210

**CITY OF PLAINVIEW, MINNESOTA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

**Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

**Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, 2.25 percent for the Police and Fire Plan, and 2.25 percent for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 2 percent for the Correction Plan through December 31, 2054 and 1.5 percent thereafter. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan and the Correctional Plans are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

**General Employees Fund**

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**Police and Fire Fund**

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

**Discount Rate**

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees 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.

In the Police and Fire Fund and Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060 and June 30, 2061 respectively. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund and June 30, 2062 for the Correctional Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund and 5.42 percent for the Correctional Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

**CITY OF PLAINVIEW, MINNESOTA**  
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2022

**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:

<b>Sensitivity Analysis</b>				
<i>Net Pension Liability (Asset) at Different Discount Rates</i>				
	General Employees Fund		Police and Fire Fund	
1% Lower	5.50%	\$1,363,602	4.40%	\$2,950,347
Current Discount Rate	6.50%	\$863,284	5.40%	\$1,949,519
1% Higher	7.50%	\$452,946	6.40%	\$1,140,410

**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 2022 were not material.

**NOTE 7 - Leases Receivable**

In 2017, the City entered into a lease with a communications company. Under the lease, the company is to pay the City \$10,650 per year, with the amount increasing \$3,180 annually if the extension option was exercised, to lease space on the City's water tower. The initial term of the agreement was for five years and ended on December 31, 2021, with one additional five-year extension option that can be automatically exercised by the company. The City believes the company is reasonably certain to exercise all extension options. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.0 percent, which is the stated rate in the agreement. In 2022, the City recognized \$11,569 of lease revenue and \$2,261 of interest revenue under the lease. The lease receivable and deferred inflows of resources related to the lease are \$50,201 as of December 31, 2022.

**CITY OF PLAINVIEW, MINNESOTA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

**NOTE 8 - 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.

**Contingent Liabilities**

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 revenue from the State of Minnesota from the Local Government Aid (LGA) programs. The amount received in 2022 was \$845,628 for LGA. This accounted for 30 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, 2022 totaled \$789,205.

**CITY OF PLAINVIEW, MINNESOTA**

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	General			Variance With Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUE</b>				
Taxes	\$ 1,420,288	\$ 1,418,143	\$ 1,420,588	\$ 2,445
Licenses and permits	41,350	73,517	73,517	-
Intergovernmental	1,086,231	1,116,396	936,190	(180,206)
Charges for services	130,785	135,676	137,044	1,368
Fines and forfeits	14,000	14,388	14,388	-
Investment earnings	25,000	59,808	51,600	(8,208)
Miscellaneous	22,510	224,670	224,670	-
<b>TOTAL REVENUE</b>	<u>2,740,164</u>	<u>3,042,598</u>	<u>2,857,997</u>	<u>(184,601)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	742,597	784,308	785,371	(1,063)
Public safety	1,153,233	1,212,375	1,217,106	(4,731)
Streets and highways	654,124	487,256	487,782	(526)
Economic development	62,681	191,538	191,538	-
Miscellaneous	17,800	25,300	25,300	-
<b>Capital outlay</b>				
General government	45,000	133,116	133,117	(1)
Public safety	60,000	31,824	31,824	-
Streets and highways	250,000	57,924	57,924	-
<b>TOTAL EXPENDITURES</b>	<u>2,985,435</u>	<u>2,923,641</u>	<u>2,929,962</u>	<u>(6,321)</u>
<b>EXCESS OF REVENUE (UNDER)</b>				
<b>OVER EXPENDITURES</b>	<u>(245,271)</u>	<u>118,957</u>	<u>(71,965)</u>	<u>(190,922)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	114,169	14,169
Transfers out	-	-	(13,286)	(13,286)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>100,000</u>	<u>100,000</u>	<u>100,883</u>	<u>883</u>
<b>NET CHANGE IN FUND BALANCES</b>	(145,271)	218,957	28,918	(190,039)
<b>FUND BALANCES, JANUARY 1</b>	<u>1,092,465</u>	<u>1,092,465</u>	<u>1,092,465</u>	<u>-</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><b>\$ 947,194</b></u>	<u><b>\$ 1,311,422</b></u>	<u><b>\$ 1,121,383</b></u>	<u><b>\$ (190,039)</b></u>

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

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**CEMETERY SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
**With Comparative Actual Amounts for Year Ended December 31, 2021**

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUE</b>					
Property taxes	\$ 30,458	\$ 30,446	\$ 30,390	\$ (56)	\$ 30,729
Charges for services	11,640	10,155	11,865	1,710	14,380
Contributions and donations	-	120	120	-	-
Miscellaneous	4,000	3,010	3,010	-	1,444
<b>TOTAL REVENUE</b>	<u>46,098</u>	<u>43,731</u>	<u>45,385</u>	<u>1,654</u>	<u>46,553</u>
<b>EXPENDITURES</b>					
Current					
Cemetery					
Supplies	3,000	1,360	1,360	-	1,930
Other services and charges	43,098	39,329	41,039	(1,710)	40,100
Capital outlay	85,000	158,671	158,671	-	6,681
<b>TOTAL EXPENDITURES</b>	<u>131,098</u>	<u>199,360</u>	<u>201,070</u>	<u>(1,710)</u>	<u>48,711</u>
<b>EXCESS OF REVENUE (UNDER)</b>					
<b>EXPENDITURES</b>	(85,000)	(155,629)	(155,685)	(56)	(2,158)
<b>OTHER FINANCES SOURCES</b>					
Transfers in	-	-	156,286	156,286	-
<b>NET CHANGE IN FUND BALANCES</b>	(85,000)	(155,629)	601	156,230	(2,158)
<b>FUND BALANCES, JANUARY 1</b>	<u>22,023</u>	<u>22,023</u>	<u>22,023</u>	<u>-</u>	<u>24,181</u>
<b>(DEFICIT) FUND BALANCES, DECEMBER 31</b>	<u><b>\$ (62,977)</b></u>	<u><b>\$(133,606)</b></u>	<u><b>\$ 22,624</b></u>	<u><b>\$ 156,230</b></u>	<u><b>\$ 22,023</b></u>

**CITY OF PLAINVIEW, MINNESOTA**  
**RETIREMENT SYSTEM SCHEDULES - GENERAL EMPLOYEES RETIREMENT FUND (GERF)**  
**DECEMBER 31, 2022**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Last 10 Fiscal Years

Pension Plan Fiscal year ended 6/30	2016	2017	2018	2019	2020	2021	2022
Proportion of the net pension liability	0.0121000%	0.0143000%	0.0142000%	0.0138000%	0.0126000%	0.0118000%	0.0109000%
Proportionate share of the net pension liability	\$ 982,460	\$ 912,903	\$ 787,758	\$ 762,971	\$ 755,428	\$ 503,913	\$ 863,284
Covered payroll	\$ 855,587	\$ 917,520	\$ 952,360	\$ 976,587	\$ 899,253	\$ 846,667	\$ 818,480
Proportionate share of the net pension liability as a percentage of its covered payroll	114.83%	99.50%	82.72%	78.13%	84.01%	59.52%	105.47%
Plan fiduciary net position as a percentage of the total pension liability	68.90%	75.90%	79.53%	80.23%	79.06%	87.00%	76.67%

SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

City Calendar year ended 12/31	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 64,169	\$ 68,814	\$ 71,427	\$ 67,653	\$ 69,121	\$ 59,625	\$ 66,620
Contributions in relation to the contractually required contributions	(64,169)	(68,814)	(71,427)	(67,653)	(69,121)	(59,625)	(66,620)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 855,587	\$ 917,520	\$ 952,360	\$ 902,036	\$ 921,612	\$ 796,091	\$ 889,367
Contributions as a percentage of covered payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.49%	7.49%

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 preceeding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2022**

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, 2022**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Pension Plan Fiscal year ended 6/30	Last 10 Fiscal Years						
	2016	2017	2018	2019	2020	2021	2022
Proportion of the net pension liability	0.0420000%	0.0460000%	0.0457000%	0.0478000%	0.0380000%	0.0378000%	0.0378000%
Proportionate share of the net pension liability	\$ 1,685,533	\$ 621,055	\$ 487,115	\$ 508,879	\$ 500,881	\$ 291,776	\$ 1,949,519
Covered payroll	\$ 447,580	\$ 481,827	\$ 481,660	\$ 561,123	\$ 420,288	\$ 446,531	\$ 543,791
Proportionate share of the net pension liability as a percentage of its covered payroll	376.59%	128.90%	101.13%	90.69%	119.18%	65.34%	358.51%
Plan fiduciary net position as a percentage of the total pension liability	68.90%	75.90%	79.53%	80.23%	79.06%	93.66%	70.53%

SCHEDULE OF CONTRIBUTIONS

City Calendar year ended 12/31	Last 10 Fiscal Years						
	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 72,508	\$ 78,056	\$ 78,029	\$ 83,260	\$ 73,298	\$ 89,561	\$ 98,224
Contributions in relation to the contractually required contributions	<u>(72,508)</u>	<u>(78,056)</u>	<u>(78,029)</u>	<u>(83,260)</u>	<u>(73,298)</u>	<u>(89,561)</u>	<u>(98,224)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 447,580	\$ 481,827	\$ 481,660	\$ 492,115	\$ 414,115	\$ 505,995	\$ 554,936
Contributions as a percentage of covered payroll	16.20%	16.20%	16.20%	16.92%	17.70%	17.70%	17.70%

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 proceeding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2022**

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**  
**SUPPLEMENTARY INFORMATION**

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

<u>ASSETS</u>	Nonmajor Special Revenue	Nonmajor Capital Project	Totals
Cash and cash equivalents	\$ 684,075	\$ 458,721	\$ 1,142,796
Investments	120,103	-	120,103
Accounts receivable, net of allowance	-	405	405
<b>TOTAL ASSETS</b>	<b>\$ 804,178</b>	<b>\$ 459,126</b>	<b>\$ 1,263,304</b>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 24,395	\$ 29,403	\$ 53,798
Accrued wages and taxes payable	4,324	-	4,324
TOTAL LIABILITIES	28,719	29,403	58,122
 FUND BALANCES			
Nonspendable	116,483	-	116,483
Restricted	198,808	70,091	268,899
Committed	460,168	401,467	861,635
Unassigned	-	(41,835)	(41,835)
TOTAL FUND BALANCES	775,459	429,723	1,205,182
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 804,178</b>	<b>\$ 459,126</b>	<b>\$ 1,263,304</b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Nonmajor Special Revenue	Nonmajor Capital Project	Totals
REVENUE			
Taxes	\$ 521,366	\$ 175,108	\$ 696,474
Intergovernmental	91,964	-	91,964
Charges for services	104,670	3,807	108,477
Fines and forfeits	177	-	177
Investment earnings	1,221	-	1,221
Miscellaneous	67,887	20,000	87,887
TOTAL REVENUE	787,285	198,915	986,200
EXPENDITURES			
Current			
Public safety	104,574	-	104,574
Streets and highways	-		
Culture and recreation	607,643	-	607,643
Economic development	17,242	-	17,242
Capital outlay			
Public safety	9,771	-	9,771
Streets and highways	-	114,159	114,159
TOTAL EXPENDITURES	739,230	114,159	853,389
EXCESS OF REVENUE OVER EXPENDITURES	48,055	84,756	132,811
OTHER FINANCING SOURCES (USES)			
Transfers in	-	368,750	368,750
Transfers (out)	-	(157,169)	(157,169)
TOTAL OTHER FINANCING SOURCES	-	211,581	211,581
NET CHANGE IN FUND BALANCES	48,055	296,337	344,392
FUND BALANCES, JANUARY 1	727,404	133,386	860,790
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 775,459</b>	<b>\$ 429,723</b>	<b>\$ 1,205,182</b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2022**

	<u>211</u>	<u>215</u>	<u>225</u>	<u>228</u>	<u>240</u>	<u>245</u>	<u>250</u>	<u>505</u>	<u>506</u>	Total
	Library	Library Memorial	Park	AED Cabinets Project	Cemetery Perpetual Care	Rural Fire	Fire Relief	LeVan TIF	TIF Downtown Redevelopment Fund	Nonmajor Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 150,536	\$ 1,417	\$ 52,687	\$ 2,561	\$ (1,669)	\$ 263,987	\$ 19,116	\$ 153,694	\$ 41,746	\$ 684,075
Investments	-	48,698	-	-	71,405	-	-	-	-	120,103
<b>TOTAL ASSETS</b>	<b><u>\$ 150,536</u></b>	<b><u>\$ 50,115</u></b>	<b><u>\$ 52,687</u></b>	<b><u>\$ 2,561</u></b>	<b><u>\$ 69,736</u></b>	<b><u>\$ 263,987</u></b>	<b><u>\$ 19,116</u></b>	<b><u>\$ 153,694</u></b>	<b><u>\$ 41,746</u></b>	<b><u>\$ 804,178</u></b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts payable	\$ 3,548	\$ -	\$ 1,647	\$ -	\$ -	\$ -	\$ 19,200	\$ -	\$ -	\$ 24,395
Accrued wages and taxes payable	2,934	-	1,390	-	-	-	-	-	-	4,324
<b>TOTAL LIABILITIES</b>	<b><u>6,482</u></b>	<b><u>-</u></b>	<b><u>3,037</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>19,200</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>28,719</u></b>
<b>FUND BALANCES</b>										
Nonspendable	-	48,698	-	-	67,785	-	-	-	-	116,483
Restricted	-	1,417	-	-	1,951	-	-	153,694	41,746	198,808
Committed	144,054	-	49,650	2,561	-	263,987	(84)	-	-	460,168
<b>TOTAL FUND BALANCES</b>	<b><u>144,054</u></b>	<b><u>50,115</u></b>	<b><u>49,650</u></b>	<b><u>2,561</u></b>	<b><u>69,736</u></b>	<b><u>263,987</u></b>	<b><u>(84)</u></b>	<b><u>153,694</u></b>	<b><u>41,746</u></b>	<b><u>775,459</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 150,536</u></b>	<b><u>\$ 50,115</u></b>	<b><u>\$ 52,687</u></b>	<b><u>\$ 2,561</u></b>	<b><u>\$ 69,736</u></b>	<b><u>\$ 263,987</u></b>	<b><u>\$ 19,116</u></b>	<b><u>\$ 153,694</u></b>	<b><u>\$ 41,746</u></b>	<b><u>\$ 804,178</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>211</u>	<u>215</u>	<u>225</u>	<u>228</u>	<u>240</u>	<u>245</u>	<u>250</u>	<u>505</u>	<u>506</u>	Total
	Library	Library Memorial	Park	AED Cabinet Project	Cemetery Perpetual Care	Rural Fire	Fire Relief	LeVan TIF	TIF Downtown Redevelopment Fund	Nonmajor Funds
<b>REVENUE</b>										
Taxes										
Property taxes	\$ 228,927	\$ -	\$ 241,699	\$ -	\$ -	\$ -	\$ 19,116	\$ -	\$ 18,896	\$ 508,638
Tax increment district taxes	-	-	-	-	-	-	-	12,728	-	12,728
Intergovernmental										
Fire relief state aid	-	-	-	-	-	-	42,317	-	-	42,317
Other County grants	49,647	-	-	-	-	-	-	-	-	49,647
Charges for services	-	-	45,807	-	1,000	57,863	-	-	-	104,670
Fines and forfeits	177	-	-	-	-	-	-	-	-	177
Investment earnings	-	258	-	-	951	12	-	-	-	1,221
Contributions and donations	-	-	-	2,561	-	-	-	-	-	2,561
Other	7,647	6,745	50,010	-	-	924	-	-	-	65,326
<b>TOTAL REVENUE</b>	<u>286,398</u>	<u>7,003</u>	<u>337,516</u>	<u>2,561</u>	<u>1,951</u>	<u>58,799</u>	<u>61,433</u>	<u>12,728</u>	<u>18,896</u>	<u>787,285</u>
<b>EXPENDITURES</b>										
Current										
Public safety	-	-	-	-	-	43,057	61,517	-	-	104,574
Culture and recreation	282,852	1,994	322,797	-	-	-	-	-	-	607,643
Economic development	-	-	-	-	-	-	-	7,710	9,532	17,242
Capital outlay										
Public safety	-	-	-	-	-	9,771	-	-	-	9,771
<b>TOTAL EXPENDITURES</b>	<u>282,852</u>	<u>1,994</u>	<u>322,797</u>	<u>-</u>	<u>-</u>	<u>52,828</u>	<u>61,517</u>	<u>7,710</u>	<u>9,532</u>	<u>739,230</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,546	5,009	14,719	2,561	1,951	5,971	(84)	5,018	9,364	48,055
FUND BALANCES, JANUARY 1	140,508	45,106	34,931	-	67,785	258,016	-	148,676	32,382	727,404
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<u>\$ 144,054</u>	<u>\$ 50,115</u>	<u>\$ 49,650</u>	<u>\$ 2,561</u>	<u>\$ 69,736</u>	<u>\$ 263,987</u>	<u>\$ (84)</u>	<u>\$ 153,694</u>	<u>\$ 41,746</u>	<u>\$ 775,459</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, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUE</b>					
Property taxes	\$ 229,585	\$ 229,394	\$ 228,927	\$ (467)	\$ 216,962
Intergovernmental					
Other county grants	48,535	49,647	49,647	-	48,773
Fines and forfeits	-	177	177	-	98
Miscellaneous					
Contributions and donations	50	2,805	2,805	-	3,302
Sale of assets	-	258	258	-	687
Other	1,500	4,584	4,584	-	2,953
<b>TOTAL REVENUE</b>	<u>279,670</u>	<u>286,865</u>	<u>286,398</u>	<u>(467)</u>	<u>272,775</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation					
Personal services	202,700	202,950	203,666	(716)	186,894
Supplies	41,000	42,626	42,627	(1)	42,299
Other services and charges	35,970	36,560	36,559	1	36,344
<b>TOTAL EXPENDITURES</b>	<u>279,670</u>	<u>282,136</u>	<u>282,852</u>	<u>(716)</u>	<u>265,537</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	4,729	3,546	(1,183)	7,238
<b>FUND BALANCES, JANUARY 1</b>	<u>140,508</u>	<u>140,508</u>	<u>140,508</u>	-	<u>133,270</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u><b>\$ 140,508</b></u>	<u><b>\$ 145,237</b></u>	<u><b>\$ 144,054</b></u>	<u><b>\$ (1,183)</b></u>	<u><b>\$ 140,508</b></u>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) -**  
**BUDGET AND ACTUAL**  
**PARK SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUE</b>					
Property taxes	\$ 242,300	\$ 242,210	\$ 241,699	\$ (511)	\$ 224,205
Charges for services	74,150	45,807	45,807	-	71,334
Rent	1,200	850	850	-	1,505
Contributions and donations	-	50	50	-	2,773
Other	<u>16,032</u>	<u>49,110</u>	<u>49,110</u>	-	<u>28,361</u>
<b>TOTAL REVENUE</b>	<u>333,682</u>	<u>338,027</u>	<u>337,516</u>	<u>(511)</u>	<u>328,178</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation					
Personal services	202,575	182,791	183,001	(210)	182,873
Supplies	52,075	64,510	64,509	1	33,081
Other services and charges	79,032	75,285	75,287	(2)	70,675
Capital outlay					
Culture and recreation	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,524</u>
<b>TOTAL EXPENDITURES</b>	<u>433,682</u>	<u>322,586</u>	<u>322,797</u>	<u>(211)</u>	<u>396,153</u>
<b>EXCESS OF REVENUE (UNDER)</b>					
<b>    OVER EXPENDITURES</b>	(100,000)	15,441	14,719	(722)	(67,975)
<b>OTHER FINANCES SOURCES</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,009</u>
<b>NET CHANGE IN FUND BALANCES</b>	(100,000)	15,441	14,719	(722)	16,034
<b>FUND BALANCES, JANUARY 1</b>	<u>34,931</u>	<u>34,931</u>	<u>34,931</u>	<u>-</u>	<u>18,897</u>
<b>(DEFICITS) FUND BALANCES, DECEMBER 31</b>	<u>\$ (65,069)</u>	<u>\$ 50,372</u>	<u>\$ 49,650</u>	<u>\$ (722)</u>	<u>\$ 34,931</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, 2022**  
**With Comparative Actual Amounts for Year Ended December 31, 2021**

	2022			2021	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUE					
Charges for services	\$ 1,500	\$ 1,000	\$ 1,000	\$ -	\$ 500
Investment earnings	-	951	951	-	951
TOTAL REVENUE	1,500	1,951	1,951	-	1,451
EXPENDITURES					
Capital outlay					
Cemetery	-	-	-	-	23,074
NET CHANGE IN FUND BALANCES	1,500	1,951	1,951	-	(21,623)
FUND BALANCES, JANUARY 1	<u>67,785</u>	<u>67,785</u>	<u>67,785</u>	<u>-</u>	<u>89,408</u>
<b>FUND BALANCES, DECEMBER 31</b>	<b><u>\$ 69,285</u></b>	<b><u>\$ 69,736</u></b>	<b><u>\$ 69,736</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 67,785</u></b>

**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, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUE</b>					
Charges for services	\$ 46,913	\$ 57,863	\$ 57,863	\$ -	\$ 47,608
Investment earnings	20	12	12		8
Miscellaneous - other	-	923	924	1	95,348
<b>TOTAL REVENUE</b>	<u>46,933</u>	<u>58,798</u>	<u>58,799</u>	<u>1</u>	<u>142,964</u>
<b>EXPENDITURES</b>					
Current					
Public Safety					
Personal services	13,412	15,153	15,153	-	11,860
Supplies	14,650	20,443	20,443	-	14,806
Other services and charges	11,008	7,461	7,461	-	8,073
Capital outlay					
Public Safety	-	9,771	9,771	-	43,360
<b>TOTAL EXPENDITURES</b>	<u>39,070</u>	<u>52,828</u>	<u>52,828</u>	<u>-</u>	<u>78,099</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,863	5,970	5,971	1	64,865
<b>FUND BALANCES, JANUARY 1</b>	<u>258,016</u>	<u>258,016</u>	<u>258,016</u>	<u>-</u>	<u>193,151</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><b>\$265,879</b></u>	<u><b>\$263,986</b></u>	<u><b>\$263,987</b></u>	<u><b>\$ 1</b></u>	<u><b>\$258,016</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, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUE</b>					
Property taxes	\$ 19,200	\$ 19,162	\$ 19,116	\$ (46)	\$ 16,138
Intergovernmental					
Fire relief state aid	<u>36,195</u>	<u>42,317</u>	<u>42,317</u>	-	<u>40,248</u>
<b>TOTAL REVENUE</b>	<u>55,395</u>	<u>61,479</u>	<u>61,433</u>	(46)	<u>56,386</u>
<b>EXPENDITURES</b>					
Current					
Public safety					
Other service and charges	<u>55,395</u>	<u>61,517</u>	<u>61,517</u>	-	<u>58,103</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(38)	(84)	(46)	(1,717)
<b>FUND BALANCES, JANUARY 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,717</u>
<b>(DEFICITS), DECEMBER 31</b>	<u>\$ -</u>	<u>\$ (38)</u>	<u>\$ (84)</u>	<u>\$ (46)</u>	<u>\$ -</u>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2022**

	<u>246</u>	<u>404</u>	<u>405</u>	<u>416</u>	<u>417</u>	<u>418</u>	<u>Total</u>
	Fire Equipment Replacement	Stormwater/ Drainage	Capital Projects	2018 Downtown Project Fund	2020 Street Project Fund	2023 Street Project Fund	Nonmajor Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 50,000	\$ 7,599	\$ 343,463	\$ 70,091	\$ -	\$ (12,432)	\$ 458,721
Receivables	<u>-</u>	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 8,004</u></b>	<b><u>\$ 343,463</u></b>	<b><u>\$ 70,091</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (12,432)</u></b>	<b><u>\$ 459,126</u></b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,403	\$ 29,403
<b>FUND BALANCES</b>							
Restricted	-	-	-	70,091	-	-	70,091
Committed	50,000	8,004	343,463	-	-	-	401,467
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,835)</u>	<u>(41,835)</u>
TOTAL FUND BALANCES	<u>50,000</u>	<u>8,004</u>	<u>343,463</u>	<u>70,091</u>	<u>-</u>	<u>(41,835)</u>	<u>429,723</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 8,004</u></b>	<b><u>\$ 343,463</u></b>	<b><u>\$ 70,091</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (12,432)</u></b>	<b><u>\$ 459,126</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>246</u>	<u>404</u>	<u>405</u>	<u>416</u>	<u>417</u>	<u>418</u>	<u>Total</u>
	Fire Equipment Replacement	Stormwater/ Drainage	Capital Projects	2018 Downtown Project Fund	2020 Street Project Fund	2023 Street Project Fund	Nonmajor Funds
REVENUE							
Taxes							
Property taxes	\$ -	\$ -	\$ 175,108	\$ -	\$ -	\$ -	\$ 175,108
Charges for services	-	3,807	-	-	-	-	3,807
Miscellaneous	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
TOTAL REVENUE	20,000	3,807	175,108	-	-	-	198,915
EXPENDITURES							
Capital outlay							
Streets and highways	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,542</u>	<u>7,782</u>	<u>101,835</u>	<u>114,159</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>20,000</u>	<u>3,807</u>	<u>175,108</u>	<u>(4,542)</u>	<u>(7,782)</u>	<u>(101,835)</u>	<u>84,756</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	300,000	-	8,750	60,000	368,750
Transfers (out)	<u>-</u>	<u>-</u>	<u>(157,169)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,169)</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>142,831</u>	<u>-</u>	<u>8,750</u>	<u>60,000</u>	<u>211,581</u>
NET CHANGE IN FUND BALANCES	20,000	3,807	317,939	(4,542)	968	(41,835)	296,337
FUND BALANCES (DEFICITS), JANUARY 1	<u>30,000</u>	<u>4,197</u>	<u>25,524</u>	<u>74,633</u>	<u>(968)</u>	<u>-</u>	<u>133,386</u>
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 8,004</u></b>	<b><u>\$ 343,463</u></b>	<b><u>\$ 70,091</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (41,835)</u></b>	<b><u>\$ 429,723</u></b>

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

	YEAR ENDED	
	DECEMBER 31,	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,143,921	\$ 1,982,464
Investments	360,995	356,500
Receivables:		
Interest	-	8,208
Delinquent taxes	36,066	27,356
Accounts	27,449	26,138
Intergovernmental	<u>13,708</u>	<u>8,168</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,582,139</u></b>	<b><u>\$ 2,408,834</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 36,920	\$ 54,569
Unearned revenue	369,712	189,506
Accrued wages payable	28,052	19,932
Advance to other fund	<u>990,006</u>	<u>1,025,006</u>
TOTAL LIABILITIES	<u>1,424,690</u>	<u>1,289,013</u>
DEFERRED INFLOWS OF RESOURCES	<u>36,066</u>	<u>27,356</u>
<b>FUND BALANCES</b>		
Restricted	102,611	152,311
Committed	401,568	401,568
Assigned	1,035	1,035
Unassigned	<u>616,169</u>	<u>537,551</u>
TOTAL FUND BALANCES	<u>1,121,383</u>	<u>1,092,465</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 2,582,139</u></b>	<b><u>\$ 2,408,834</u></b>

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUE</b>					
<b>TAXES</b>					
Property taxes	\$ 1,370,288	\$ 1,369,612	\$ 1,372,358	\$ 2,746	\$ 1,292,054
Franchise fees	50,000	48,531	48,230	(301)	49,396
<b>TOTAL TAXES</b>	<u>1,420,288</u>	<u>1,418,143</u>	<u>1,420,588</u>	<u>2,445</u>	<u>1,341,450</u>
<b>LICENSES AND PERMITS</b>					
Business	10,000	11,795	11,795	-	10,665
Nonbusiness	31,350	61,722	61,722	-	30,541
<b>TOTAL LICENSES AND PERMITS</b>	<u>41,350</u>	<u>73,517</u>	<u>73,517</u>	<u>-</u>	<u>41,206</u>
<b>INTERGOVERNMENTAL</b>					
State					
Local government aid	845,628	845,628	845,628	-	835,140
Property tax credits and aids	1,111	1,098	1,098	-	1,125
Police aid	60,000	74,289	74,289	-	40,601
Other state aids	178,492	195,381	15,175	(180,206)	73,948
<b>Total state</b>	<u>1,085,231</u>	<u>1,116,396</u>	<u>936,190</u>	<u>(180,206)</u>	<u>950,814</u>
Local					
Other grants	1,000	-	-	-	7,789
<b>TOTAL INTERGOVERNMENTAL</b>	<u>1,086,231</u>	<u>1,116,396</u>	<u>936,190</u>	<u>(180,206)</u>	<u>958,603</u>
<b>CHARGES FOR SERVICES</b>					
General government	-	45	45	-	-
Public safety	54,200	54,028	55,396	1,368	69,706
Streets and highways	42,285	40,926	40,926	-	45,963
Sanitation	29,300	32,995	32,995	-	30,283
Transit	5,000	7,682	7,682	-	6,892
<b>TOTAL CHARGES FOR SERVICES</b>	<u>130,785</u>	<u>135,676</u>	<u>137,044</u>	<u>1,368</u>	<u>152,844</u>
<b>FINES AND FORFEITS</b>	<u>14,000</u>	<u>14,388</u>	<u>14,388</u>	<u>-</u>	<u>16,575</u>
<b>INVESTMENT EARNINGS</b>	<u>25,000</u>	<u>59,808</u>	<u>51,600</u>	<u>(8,208)</u>	<u>31,697</u>
<b>MISCELLANEOUS</b>					
TIF admin fees	-	2,525	2,525	-	7,133
Contributions and donations	10,000	167,026	167,026	-	35,931
Other	12,010	55,050	55,050	-	52,043
Other Sales	500	69	69	-	5,673
<b>TOTAL MISCELLANEOUS</b>	<u>22,510</u>	<u>224,670</u>	<u>224,670</u>	<u>-</u>	<u>101,280</u>
<b>TOTAL REVENUE</b>	<u>2,740,164</u>	<u>3,042,598</u>	<u>2,857,997</u>	<u>(184,601)</u>	<u>2,643,655</u>

(Continued on page 65)

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - Continued**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
<b>GENERAL GOVERNMENT</b>					
Council					
Personal services	\$ 14,383	\$ 14,357	\$ 14,357	\$ -	\$ 14,335
Other charges	36,275	36,008	36,009	(1)	34,998
Total Council	<u>50,658</u>	<u>50,365</u>	<u>50,366</u>	<u>(1)</u>	<u>49,333</u>
Elections					
Personal services	4,000	5,868	5,868	-	-
Other services	840	-	-	-	-
Other charges	1,000	2,255	2,255	-	840
Total Elections	<u>5,840</u>	<u>8,123</u>	<u>8,123</u>	<u>-</u>	<u>840</u>
Financial administration					
Personal services	451,114	464,351	465,417	(1,066)	404,650
Supplies	39,500	23,324	23,324	-	11,757
Other services	87,100	108,072	108,069	3	95,103
Other charges	108,385	130,073	130,072	1	146,046
Total Financial Administration	<u>686,099</u>	<u>725,820</u>	<u>726,882</u>	<u>(1,062)</u>	<u>657,556</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>742,597</u>	<u>784,308</u>	<u>785,371</u>	<u>(1,063)</u>	<u>707,729</u>
<b>PUBLIC SAFETY</b>					
Police					
Personal services	924,259	959,756	964,486	(4,730)	894,953
Supplies	38,150	55,636	55,636	-	38,024
Other services	37,600	34,100	34,100	-	33,173
Other charges	55,683	58,323	58,324	(1)	48,002
Total Police	<u>1,055,692</u>	<u>1,107,815</u>	<u>1,112,546</u>	<u>(4,731)</u>	<u>1,014,152</u>
Fire-City					
Personal services	26,596	31,180	31,180	-	18,666
Supplies	31,800	47,754	47,754	-	23,191
Other services	1,120	1,481	1,481	-	482
Other charges	31,358	21,584	21,584	-	21,843
Total Fire-City	<u>90,874</u>	<u>101,999</u>	<u>101,999</u>	<u>-</u>	<u>64,182</u>
Emergency Management					
Personal services	6,667	2,561	2,561	-	2,729
<b>TOTAL PUBLIC SAFETY</b>	<u>1,153,233</u>	<u>1,212,375</u>	<u>1,217,106</u>	<u>(4,731)</u>	<u>1,081,063</u>

(Continued on page 66)

**CITY OF PLAINVIEW, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - Continued**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
With Comparative Actual Amounts for Year Ended December 31, 2021

	2022			Variance With Final Budget	2021
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
EXPENDITURES - Continued					
CURRENT - Continued					
STREET AND HIGHWAYS					
Street maintenance					
Personal services	\$ 181,379	\$ 180,518	\$ 180,960	\$ (442)	\$ 174,963
Supplies	256,375	116,172	116,172	-	209,297
Other services	50,000	28,063	28,063	-	42,920
Other charges	71,919	82,527	82,527	-	67,989
Total Street Maintenance	<u>559,673</u>	<u>407,280</u>	<u>407,722</u>	<u>(442)</u>	<u>495,169</u>
Snow and ice removal					
Personal services	31,451	30,753	30,837	(84)	30,273
Supplies	28,000	32,289	32,289	-	19,110
Other services	35,000	16,934	16,934	-	19,242
Total Snow and Ice Removal	<u>94,451</u>	<u>79,976</u>	<u>80,060</u>	<u>(84)</u>	<u>68,625</u>
TOTAL STREETS AND HIGHWAYS	<u>654,124</u>	<u>487,256</u>	<u>487,782</u>	<u>(526)</u>	<u>563,794</u>
ECONOMIC CHARGES					
Other charges	<u>62,681</u>	<u>191,538</u>	<u>191,538</u>	<u>-</u>	<u>56,938</u>
MISCELLANEOUS					
Other charges	<u>17,800</u>	<u>25,300</u>	<u>25,300</u>	<u>-</u>	<u>16,800</u>
TOTAL CURRENT	<u>2,630,435</u>	<u>2,700,777</u>	<u>2,707,097</u>	<u>(6,320)</u>	<u>2,426,324</u>
CAPITAL OUTLAY					
General government	45,000	133,116	133,117	(1)	77,631
Public safety	60,000	31,824	31,824	-	1,045,036
Streets and highways	250,000	57,924	57,924	-	73,902
TOTAL CAPITAL OUTLAY	<u>355,000</u>	<u>222,864</u>	<u>222,865</u>	<u>(1)</u>	<u>1,196,569</u>
TOTAL EXPENDITURES	<u>2,985,435</u>	<u>2,923,641</u>	<u>2,929,962</u>	<u>(6,321)</u>	<u>3,622,893</u>
EXCESS OF REVENUE (UNDER) OVER EXPENDITURES	<u>(245,271)</u>	<u>118,957</u>	<u>(71,965)</u>	<u>(190,922)</u>	<u>(979,238)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	100,000	100,000	114,169	14,169	247,542
Transfers out	-	-	(13,286)	(13,286)	(1,235)
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>100,000</u>	<u>100,883</u>	<u>883</u>	<u>246,307</u>
NET CHANGE IN FUND BALANCES	(145,271)	218,957	28,918	(190,039)	(732,931)
FUND BALANCES, JANUARY 1	<u>1,092,465</u>	<u>1,092,465</u>	<u>1,092,465</u>	<u>-</u>	<u>1,825,396</u>
<b>FUND BALANCES (DEFICITS), DECEMBER 31</b>	<b><u>\$ 947,194</u></b>	<b><u>\$ 1,311,422</u></b>	<b><u>\$ 1,121,383</u></b>	<b><u>\$ (190,039)</u></b>	<b><u>\$ 1,092,465</u></b>

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

	DECEMBER 31,	
	2022	2021
<u>ASSETS</u>		
Cash and cash equivalents	\$ 107,945	\$ 122,700
Notes/leases	69,064	78,336
<b>TOTAL ASSETS</b>	<b>\$ 177,009</b>	<b>\$ 201,036</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
LIABILITIES	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES	69,064	78,336
FUND BALANCES		
Restricted	107,945	122,700
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 177,009</b>	<b>\$ 201,036</b>
Total fund balances - governmental activities	\$ 107,945	\$ 122,700
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.	217,822	138,554
Long-term assets are not available to pay current period expenditures and, therefore, are deferred in the fund.		
Notes/leases	69,064	78,336
<b>Total net assets - governmental activities</b>	<b>\$ 394,831</b>	<b>\$ 339,590</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,	
	2022	2021
REVENUE		
Investment earnings	\$ 244	\$ 56
Miscellaneous		
Contributions and donations	7,500	57,137
Loan repayments	15,821	25,235
Rent	39,633	37,943
Other	52,979	5,659
TOTAL REVENUE	116,177	126,030
EXPENDITURES		
Current		
Personal services	6,520	46,527
Repair and maintenance	10,551	12,713
Utilities	10,298	7,651
Insurance	2,186	2,124
Capital outlay	85,952	-
Loans issued	4,400	-
Property taxes	8,010	7,496
Other services and charges	3,015	9,711
TOTAL EXPENDITURES	130,932	86,222
NET CHANGE IN FUND BALANCES	(14,755)	39,808
FUND BALANCES, JANUARY 1	122,700	82,892
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 107,945</b>	<b>\$ 122,700</b>
Net change in fund balances - governmental funds	\$ (14,755)	\$ 39,808
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	85,952	-
Depreciation and amortization expense	(6,684)	(4,408)
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	4,400	-
Net loans payments received	(13,672)	(25,235)
<b>Change in net assets - governmental activities</b>	<b>\$ 55,241</b>	<b>\$ 10,165</b>

**CITY OF PLAINVIEW, MINNESOTA**  
**SUMMARY FINANCIAL REPORT**  
**REVENUE AND EXPENDITURES FOR GENERAL OPERATIONS**  
**GOVERNMENTAL FUNDS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>	Percent
	Totals	Totals	Increase (Decrease)
<b>REVENUE</b>			
Taxes	\$ 2,499,152	\$ 2,402,378	4.03
Licenses and permits	73,517	41,206	78.41
Intergovernmental	1,028,154	1,047,624	(1.86)
Charges for services	257,386	290,466	(11.39)
Fines and forfeits	14,565	16,673	(12.64)
Investment earnings	50,889	34,785	46.30
Miscellaneous	<u>315,687</u>	<u>280,273</u>	<u>12.64</u>
<b>TOTAL REVENUE</b>	<b><u>\$ 4,239,350</u></b>	<b><u>\$ 4,113,405</u></b>	<b><u>3.06</u></b>
 Per Capita Population: 3,483 per 2020 census	 1,217	 1,181	 3.06
<b>EXPENDITURES</b>			
Current			
General government	\$ 785,371	\$ 707,729	10.97
Public safety	1,321,680	1,174,905	12.49
Streets and highways	487,782	628,833	(22.43)
Culture and recreation	607,643	552,447	9.99
Economic development	208,780	68,059	206.76
Cemetery	42,399	42,030	0.88
Miscellaneous	25,300	16,800	50.60
Capital outlay			
General government	133,117	77,631	71.47
Public safety	41,595	1,088,396	(96.18)
Streets and highways	172,083	372,165	(53.76)
Culture and recreation	158,671	139,279	13.92
Debt services			
Principal	370,000	308,000	20.13
Interest and other charges	<u>80,534</u>	<u>97,487</u>	<u>(17.39)</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 4,434,955</u></b>	<b><u>\$ 5,273,761</u></b>	<b><u>(15.91)</u></b>
 Per Capita	 1,273	 1,514	 (15.91)
Total Long-term Indebtedness	3,630,000	4,000,000	(9.25)
Per Capita	1,042	1,148	(9.25)
 General Fund Balance - December 31	 1,121,383	 1,092,465	 2.65
Per Capita	322	314	2.65

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, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2023.

*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 21, 2023



## INDEPENDENT AUDITORS' REPORT ON COMMUNICATION OF MATERIAL WEAKNESSES

Honorable Mayor and City Council  
City of Plainview  
Plainview, Minnesota

In planning and performing our audit of the basic financial statements of City of Plainview as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered City of Plainview's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control 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 a 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in the City's internal control to be material weaknesses.

## **2022-001 - 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: The training and knowledge of your personnel limits your ability to 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.

Information: Isolated instance.

Prior Year Finding: This was a prior year audit finding numbered 2021-001.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

## **2022-002 - 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.

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

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

Information: Systemic problem.

Prior Year Finding: This was a prior year audit finding numbered 2021-003

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 recurring basis to detect material adjustments.

Management's Response: Management has and will continue to 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 communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
June 21, 2023