

CITY OF PLAINVIEW, MINNESOTA

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2024

CITY OF PLAINVIEW, MINNESOTA

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DECEMBER 31, 2024

MEMBERS OF THE CITY COUNCIL

Mayor	Keith Holm
Council	Lindsay Hammer Bartley
Council	Holly Reeve
Council	Brandon Bauman
Council	Don Kuschel
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, 2024, 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 2023 financial statements and, in our report dated June 12, 2024, 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, as of December 31, 2024, 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 the City 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'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'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'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 50 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, 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 12, 2025

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, 2024.

Financial Highlights

- The City had one project in process in 2024:
2023 Street and Utility Improvement project
- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$20,711,026 (net position). Of this amount, \$6,447,418 (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 \$2,063,833, as compared to an increase of \$1,318,782 in the prior year. The current year increase is attributable to governmental activities net position increasing \$1,362,771 and business-type activities net position increasing \$701,062.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,167,315, an decrease of \$481,355.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$1,642,578, or 44.8 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 \$575,000, or 8.2 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 revenue, 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 revenue, 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 \$20,711,026 at the close of the most recent fiscal year.

A large portion of the City's net position (59%) 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 5,296,335	\$ 6,192,403	\$ 5,130,328	\$ 4,701,741	\$ 10,426,663	\$ 10,894,144
Capital assets	15,043,446	13,798,409	3,695,114	3,459,018	18,738,560	17,257,427
Deferred outflows	<u>895,020</u>	<u>1,198,353</u>	<u>147,434</u>	<u>197,402</u>	<u>1,042,454</u>	<u>1,395,755</u>
Total assets and deferred outflows	<u>21,234,801</u>	<u>21,189,165</u>	<u>8,972,876</u>	<u>8,358,161</u>	<u>30,207,677</u>	<u>29,547,326</u>
Long-term liabilities outstanding	6,605,355	7,146,233	118,398	131,981	6,723,753	7,278,214
Net pension liability	847,490	1,237,381	139,604	203,830	987,094	1,441,211
Other liabilities	173,894	585,420	201,999	202,387	375,893	787,807
Deferred inflows	<u>1,188,112</u>	<u>1,162,952</u>	<u>221,799</u>	<u>229,949</u>	<u>1,409,911</u>	<u>1,392,901</u>
Total liabilities and deferred inflows	<u>8,814,851</u>	<u>10,131,986</u>	<u>681,800</u>	<u>768,147</u>	<u>9,496,651</u>	<u>10,900,133</u>
Net investment in capital assets	8,554,343	7,203,947	3,587,692	3,336,596	12,142,035	10,540,543
Restricted	2,121,573	2,985,669	-	-	2,121,573	2,985,669
Unrestricted	<u>1,744,034</u>	<u>867,563</u>	<u>4,703,384</u>	<u>4,253,418</u>	<u>6,447,418</u>	<u>5,120,981</u>
Total net position	<u>\$ 12,419,950</u>	<u>\$ 11,057,179</u>	<u>\$ 8,291,076</u>	<u>\$ 7,590,014</u>	<u>\$ 20,711,026</u>	<u>\$ 18,647,193</u>

An additional portion of the City's net position (10.24%) 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 \$1,362,771 thereby accounting for 66 percent of the total growth in the net position of the City.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue						
Program revenue						
Charges for services	\$ 340,589	\$ 340,598	\$ 2,217,979	\$ 2,114,676	\$ 2,558,568	\$ 2,455,274
Operating grants and contributions	546,784	693,554	355,413	10,000	902,197	703,554
General revenue						
Property taxes/tax increments	2,766,910	2,616,090	-	-	2,766,910	2,616,090
Grants and contributions not restricted to specific programs	1,585,623	1,003,293	-	-	1,585,623	1,003,293
Unrestricted investment earnings	260,627	259,387	165,134	141,494	425,761	400,881
Other revenue (loss)	(243,025)	31,040	-	-	(243,025)	31,040
Total Revenue	<u>5,257,508</u>	<u>4,943,962</u>	<u>2,738,526</u>	<u>2,266,170</u>	<u>7,996,034</u>	<u>7,210,132</u>
Expenses						
General government	789,018	795,430	-	-	789,018	795,430
Public safety	1,679,223	1,752,270	-	-	1,679,223	1,752,270
Streets and highways	909,413	920,398	-	-	909,413	920,398
Culture and recreation	827,176	754,049	-	-	827,176	754,049
Economic development	103,469	85,937	-	-	103,469	85,937
Cemetery and miscellaneous	61,190	73,684	-	-	61,190	73,684
Interest on long-term debt	206,463	164,394	-	-	206,463	164,394
Water utility	-	-	429,701	394,133	429,701	394,133
Sewer utility	-	-	926,548	951,055	926,548	951,055
Total Expenses	<u>4,575,952</u>	<u>4,546,162</u>	<u>1,356,249</u>	<u>1,345,188</u>	<u>5,932,201</u>	<u>5,891,350</u>
Change in Net Position	681,556	397,800	1,382,277	920,982	2,063,833	1,318,782
Net position - January 1	11,057,179	10,884,147	7,590,014	6,444,264	18,647,193	17,328,411
Transfers	681,215	(224,768)	(681,215)	224,768	-	-
Net position - December 31	<u>\$ 12,419,950</u>	<u>\$ 11,057,179</u>	<u>\$ 8,291,076</u>	<u>\$ 7,590,014</u>	<u>\$ 20,711,026</u>	<u>\$ 18,647,193</u>

Business-Type Activities . Business-type activities increased the City's net position by \$701,062. Key elements of this increase are as follows:

- The Water fund had a net income of \$437,531 and the Sewer fund had a net income of \$263,531.

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 \$5,167,315, an decrease of \$481,355, in comparison with the prior year. Approximately \$1,643,528 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 \$1,213,522, of which \$1,642,578 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 60.4 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 \$4,703,384. The total increase in net position for the funds was \$701,062. 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, 2024, amounts to \$17,257,427 (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 \$2,717,899.

Capital Assets Net of Depreciation

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 86,382	\$ 86,382	\$ 10,250	\$ 10,250	\$ 96,632	\$ 96,632
Buildings and improvements	2,585,859	2,457,618	-	-	2,585,859	2,457,618
Systems and infrastructure	5,574,388	5,913,721	3,122,506	3,135,146	8,696,894	9,048,867
Equipment and machinery	1,997,071	1,876,456	562,358	291,149	2,559,429	2,167,605
Construction in progress	4,771,623	3,464,232	-	22,473	4,771,623	3,486,705
Total	\$ 15,015,323	\$ 13,798,409	\$ 3,695,114	\$ 3,459,018	\$ 18,710,437	\$ 17,257,427

Outstanding Debt

Long-Term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$6,426,422 of which \$6,319,000 was general obligation debt and \$107,422 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	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 6,319,000	\$ 6,879,000	\$ -	\$ -	\$ 6,319,000	\$ 6,879,000
General obligation revenue bonds	-	-	107,422	122,422	107,422	122,422
Total	\$ 6,319,000	\$ 6,879,000	\$ 107,422	\$ 122,422	\$ 6,426,422	\$ 7,001,422

The City's total debt decreased by \$575,000, or 8.2 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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Authority
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
ASSETS				
Cash and cash equivalents	\$ 4,846,994	\$ 4,071,206	\$ 8,918,200	\$ 168,030
Investments	1,190,798	-	1,190,798	-
Receivables				
Interest	67	-	67	-
Delinquent taxes	39,599	-	39,599	-
Accounts, net	28,532	198,248	226,780	-
Leases receivable	-	26,084	26,084	35,524
Intergovernmental	25,135	-	25,135	-
Internal balances	(834,790)	834,790	-	-
Capital assets not being depreciated				
Land	86,382	10,250	96,632	15,798
Construction in progress	4,771,623	-	4,771,623	-
Capital assets (net of accumulated depreciation)				
Buildings and improvements	2,585,859	-	2,585,859	204,308
Systems and infrastructure	5,574,388	3,122,506	8,696,894	-
Equipment and machinery	1,997,071	562,358	2,559,429	7,540
SBITA assets being amortized	28,123	-	28,123	-
TOTAL ASSETS	20,339,781	8,825,442	29,165,223	431,200
DEFERRED OUTFLOWS OF RESOURCES				
PERA pension	895,020	147,434	1,042,454	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	\$ 21,234,801	\$ 8,972,876	\$ 30,207,677	\$ 431,200
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>				
LIABILITIES				
Accounts payable	\$ 61,975	\$ 198,208	\$ 260,183	\$ -
Accrued interest payable	84,473	754	85,227	-
Accrued wages payable	27,446	3,037	30,483	-
Noncurrent liabilities				
Due within one year	826,569	15,000	841,569	-
Due in more than one year	5,778,786	103,398	5,882,184	-
Net pension liability	847,490	139,604	987,094	-
TOTAL LIABILITIES	7,626,739	460,001	8,086,740	-
DEFERRED INFLOWS OF RESOURCES				
Leases	-	26,084	26,084	-
PERA pension	1,188,112	195,715	1,383,827	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,188,112	221,799	1,409,911	-
NET POSITION				
Net investment in capital assets	8,554,343	3,587,692	12,142,035	227,646
Restricted - expendable	2,007,561	-	2,007,561	203,554
Restricted - nonexpendable	114,012	-	114,012	-
Unrestricted	1,744,034	4,703,384	6,447,418	-
TOTAL NET POSITION	12,419,950	8,291,076	20,711,026	431,200
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
	\$ 21,234,801	\$ 8,972,876	\$ 30,207,677	\$ 431,200

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

CITY OF PLAINVIEW, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

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	
Primary Government								
Governmental Activities								
General government	\$ 789,018	\$ -	\$ 45	\$ -	\$ (788,973)		\$ (788,973)	
Public safety	1,679,223	106,299	332,056	-	(1,240,868)		(1,240,868)	
Streets and highways	909,413	84,479	152,318	-	(672,616)		(672,616)	
Culture and recreation	827,176	116,110	62,365	-	(648,701)		(648,701)	
Economic development	103,469	17,134	-	-	(86,335)		(86,335)	
Cemetery and miscellaneous	61,190	16,567	-	-	(44,623)		(44,623)	
Interest and other	206,463	-	-	-	(206,463)		(206,463)	
Total Governmental Activities	<u>4,575,952</u>	<u>340,589</u>	<u>546,784</u>	<u>-</u>	<u>(3,688,579)</u>		<u>(3,688,579)</u>	
Business-Type Activities								
Water	429,701	740,139	355,413	-	-	665,851	665,851	
Sewer	926,548	1,477,840	-	-	-	551,292	551,292	
Total Business-Type Activities	<u>1,356,249</u>	<u>2,217,979</u>	<u>355,413</u>	<u>-</u>	<u>-</u>	<u>1,217,143</u>	<u>1,217,143</u>	
Total Primary Government	<u>\$ 5,932,201</u>	<u>\$ 2,558,568</u>	<u>\$ 902,197</u>	<u>\$ -</u>	<u>(3,688,579)</u>	1,217,143	<u>(2,471,436)</u>	
Component Unit								
Economic Development Authority	<u>\$ 39,245</u>	<u>\$ -</u>	<u>\$ 65,914</u>	<u>\$ -</u>			<u>\$ 26,669</u>	
General Revenue								
Property taxes, levied for general purposes					2,523,951	-	2,523,951	
Property taxes, levied for debt service					201,065	-	201,065	
Tax increments					41,894	-	41,894	
Grants and contributions not restricted to specific programs					1,585,623	-	1,585,623	
Unrestricted investment earnings					260,627	165,134	425,761	
Gain (loss) on sale of capital assets					(248,655)	-	(248,655)	
Other revenue					5,630	-	5,630	
Transfers					681,215	(681,215)	-	
Total General Revenue and Transfers					<u>5,051,350</u>	<u>(516,081)</u>	<u>4,535,269</u>	
Change in Net Position					1,362,771	701,062	2,063,833	
Net Position, January 1					<u>11,057,179</u>	<u>7,590,014</u>	<u>18,647,193</u>	
Net Position, December 31					<u>\$ 12,419,950</u>	<u>\$ 8,291,076</u>	<u>\$ 20,711,026</u>	

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, 2024

<u>ASSETS</u>	<u>General</u>	<u>Street Improvement Fund</u>	<u>Debt Service</u>	<u>2023 Street Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Cash and cash equivalents	\$ 2,674,297	\$ 595,548	\$ 465,944	\$ -	\$ 1,111,205	\$ 4,846,994
Investments	386,444	581,000	-	-	223,354	1,190,798
Receivables						
Interest	-	65	-	2	-	67
Delinquent taxes	39,599	-	-	-	-	39,599
Accounts, net	28,065	-	-	-	467	28,532
Intergovernmental	25,135	-	-	-	-	25,135
TOTAL ASSETS	<u>\$ 3,153,540</u>	<u>\$ 1,176,613</u>	<u>\$ 465,944</u>	<u>\$ 2</u>	<u>\$ 1,335,026</u>	<u>\$ 6,131,125</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES						
Accounts payable	\$ 41,997	\$ -	\$ -	\$ 6,623	\$ 13,355	\$ 61,975
Accrued wages payable	23,632	-	-	-	3,814	27,446
Advance from other funds	834,790	-	-	-	-	834,790
TOTAL LIABILITIES	<u>900,419</u>	<u>-</u>	<u>-</u>	<u>6,623</u>	<u>17,169</u>	<u>924,211</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - tax roll	39,599	-	-	-	-	39,599
FUND BALANCES						
Nonspendable	-	-	-	-	114,012	114,012
Restricted	132,769	1,176,613	465,944	-	232,235	2,007,561
Committed	437,225	-	-	-	971,898	1,409,123
Assigned	950	-	-	-	-	950
Unassigned	1,642,578	-	-	(6,621)	(288)	1,635,669
TOTAL FUND BALANCES	<u>2,213,522</u>	<u>1,176,613</u>	<u>465,944</u>	<u>(6,621)</u>	<u>1,317,857</u>	<u>5,167,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,153,540</u>	<u>\$ 1,176,613</u>	<u>\$ 465,944</u>	<u>\$ 2</u>	<u>\$ 1,335,026</u>	<u>\$ 6,131,125</u>

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, 2024

Total fund balances - governmental funds	\$ 5,167,315
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.	15,043,446
Deferred inflows of resources and deferred outflows of resources are not current financial resources and are not reported in the fund statements.	(293,092)
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	(6,319,000)
Bond premium	(141,980)
Compensated absences payable	(144,375)
Pension obligations payable	(847,490)
Long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.	
Delinquent property taxes receivable	39,599
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(84,473)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 12,419,950</u>

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, 2024

	General	Street Improvement Fund	Debt Service	2023 Street Project Fund	Nonmajor Governmental Funds	Totals
REVENUE						
Taxes	\$ 1,627,076	\$ 160,149	\$ 201,065	\$ -	\$ 830,701	\$ 2,818,991
Licenses and permits	34,653	-	-	-	-	34,653
Intergovernmental	1,132,438	-	-	107,590	104,243	1,344,271
Charges for services	142,085	-	-	-	140,877	282,962
Fines and forfeitures	14,703	-	-	-	248	14,951
Investment earnings	106,124	67,371	13,896	17,882	51,015	256,288
Miscellaneous	675,199	-	-	-	92,277	767,476
TOTAL REVENUE	<u>3,732,278</u>	<u>227,520</u>	<u>214,961</u>	<u>125,472</u>	<u>1,219,361</u>	<u>5,519,592</u>
EXPENDITURES						
Current						
General government	780,936	-	-	-	-	780,936
Public safety	1,343,707	-	-	-	103,810	1,447,517
Streets and highways	507,232	-	-	-	8,875	516,107
Culture and recreation	-	-	-	-	728,760	728,760
Economic development	65,349	-	-	-	38,120	103,469
Cemetery	-	-	-	-	45,190	45,190
Miscellaneous	17,800	-	-	-	-	17,800
Capital Outlay						
General government	458,780	-	-	-	-	458,780
Public safety	153,054	-	-	-	9,867	162,921
Streets and highways	318,736	-	-	1,277,197	-	1,595,933
Culture and recreation	-	-	-	-	36,072	36,072
Debt Service						
Principal	-	-	560,000	-	-	560,000
Interest and other charges	19,656	-	209,021	-	-	228,677
TOTAL EXPENDITURES	<u>3,665,250</u>	<u>-</u>	<u>769,021</u>	<u>1,277,197</u>	<u>970,694</u>	<u>6,682,162</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>67,028</u>	<u>227,520</u>	<u>(554,060)</u>	<u>(1,151,725)</u>	<u>248,667</u>	<u>(1,162,570)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	367,701	-	581,215	642,108	-	1,591,024
Transfers (out)	-	(642,108)	-	-	(267,701)	(909,809)
TOTAL OTHER FINANCING SOURCES (USES)	<u>367,701</u>	<u>(642,108)</u>	<u>581,215</u>	<u>642,108</u>	<u>(267,701)</u>	<u>681,215</u>
NET CHANGE IN FUND BALANCES	434,729	(414,588)	27,155	(509,617)	(19,034)	(481,355)
FUND BALANCES (DEFICITS), JANUARY 1	<u>1,778,793</u>	<u>1,591,201</u>	<u>438,789</u>	<u>502,996</u>	<u>1,336,891</u>	<u>5,648,670</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 2,213,522</u>	<u>\$ 1,176,613</u>	<u>\$ 465,944</u>	<u>\$ (6,621)</u>	<u>\$ 1,317,857</u>	<u>\$ 5,167,315</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, 2024

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

Net change in fund balances - governmental funds	\$ (481,355)
<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	2,253,706
Depreciation expense	(726,685)
SBITA amortization expense	(7,031)
Items not capitalized on statement of activities	(26,298)
<p>In governmental funds, the entire proceeds, if any, from the disposal of capital assets is reported as an other funding source. In the statement of activities, only the gain (or loss) on the disposal is reported. The difference between the two is the unadjusted basis of the assets disposed of.</p>	
(Loss) on disposition:	(248,655)
<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	560,000
Premium amortization	15,631
<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>	
	6,583
<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	(9,770)
<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	61,398
Compensated absences	<u>(34,753)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 1,362,771</u>

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, 2024 AND 2023

	Business-Type Activities - Enterprise Funds					
	601 Water		602 Sewer		Totals	
	2024	2023	2024	2023	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 1,615,802	\$ 1,461,770	\$ 2,455,404	\$ 2,109,174	\$ 4,071,206	\$ 3,570,944
Accounts receivable, net	75,987	72,761	122,261	106,837	198,248	179,598
Lease receivable	12,787	12,295	-	-	12,787	12,295
TOTAL CURRENT ASSETS	<u>1,704,576</u>	<u>1,546,826</u>	<u>2,577,665</u>	<u>2,216,011</u>	<u>4,282,241</u>	<u>3,762,837</u>
NONCURRENT ASSETS						
Capital assets, at cost						
Construction in progress	-	22,473	-	-	-	22,473
Land	10,250	10,250	-	-	10,250	10,250
Systems and infrastructure	4,376,916	4,278,381	929,180	929,180	5,306,096	5,207,561
Equipment and machinery	675,216	458,347	123,834	123,834	799,050	582,181
Less accumulated depreciation	(2,082,188)	(2,059,404)	(338,094)	(304,043)	(2,420,282)	(2,363,447)
Total capital assets (net of accumulated depreciation)	2,980,194	2,710,047	714,920	748,971	3,695,114	3,459,018
Lease receivable, non-current	13,297	26,084	-	-	13,297	26,084
Advance to other fund	-	-	834,790	912,820	834,790	912,820
TOTAL NONCURRENT ASSETS	<u>2,993,491</u>	<u>2,736,131</u>	<u>1,549,710</u>	<u>1,661,791</u>	<u>4,543,201</u>	<u>4,397,922</u>
TOTAL ASSETS	4,698,067	4,282,957	4,127,375	3,877,802	8,825,442	8,160,759
DEFERRED OUTFLOWS OF RESOURCES						
PERA pension	71,143	95,255	76,291	102,147	147,434	197,402
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,769,210</u>	<u>\$ 4,378,212</u>	<u>\$ 4,203,666</u>	<u>\$ 3,979,949</u>	<u>\$ 8,972,876</u>	<u>\$ 8,358,161</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	\$ 13,718	\$ 4,438	\$ 184,490	\$ 194,477	\$ 198,208	\$ 198,915
Accrued interest payable	754	859	-	-	754	859
Accrued wages and taxes payable	1,680	1,311	1,357	1,302	3,037	2,613
Bonds payable - current portion	15,000	15,000	-	-	15,000	15,000
TOTAL CURRENT LIABILITIES	<u>31,152</u>	<u>21,608</u>	<u>185,847</u>	<u>195,779</u>	<u>216,999</u>	<u>217,387</u>
NONCURRENT LIABILITIES						
Compensated absences payable - noncurrent	1,394	1,184	9,582	8,375	10,976	9,559
Net pension liability	67,365	98,357	72,239	105,473	139,604	203,830
Bonds payable - noncurrent	92,422	107,422	-	-	92,422	107,422
TOTAL NONCURRENT LIABILITIES	<u>161,181</u>	<u>206,963</u>	<u>81,821</u>	<u>113,848</u>	<u>243,002</u>	<u>320,811</u>
TOTAL LIABILITIES	<u>192,333</u>	<u>228,571</u>	<u>267,668</u>	<u>309,627</u>	<u>460,001</u>	<u>538,198</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	26,084	38,379	-	-	26,084	38,379
PERA pension	94,441	92,441	101,274	99,129	195,715	191,570
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>120,525</u>	<u>130,820</u>	<u>101,274</u>	<u>99,129</u>	<u>221,799</u>	<u>229,949</u>
NET POSITION						
Net investment in capital assets	2,872,772	2,587,625	714,920	748,971	3,587,692	3,336,596
Unrestricted	1,583,580	1,431,196	3,119,804	2,822,222	4,703,384	4,253,418
TOTAL NET POSITION	<u>4,456,352</u>	<u>4,018,821</u>	<u>3,834,724</u>	<u>3,571,193</u>	<u>8,291,076</u>	<u>7,590,014</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 4,769,210</u>	<u>\$ 4,378,212</u>	<u>\$ 4,203,666</u>	<u>\$ 3,979,949</u>	<u>\$ 8,972,876</u>	<u>\$ 8,358,161</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, 2024 AND 2023

	Business-Type Activities - Enterprise Funds					
	601 Water		602 Sewer		Totals	
	2024	2023	2024	2023	2024	2023
OPERATING REVENUE						
Charges for services	\$ 567,673	\$ 525,587	\$ 1,474,452	\$ 1,406,694	\$ 2,042,125	\$ 1,932,281
OPERATING EXPENSES						
Salaries and benefits	95,768	98,605	101,825	107,282	197,593	205,887
Supplies and repairs	55,700	61,289	18,594	9,493	74,294	70,782
Other services and charges	69,034	59,724	758,367	785,397	827,401	845,121
Insurance	7,842	7,949	4,566	4,568	12,408	12,517
Utilities	39,317	39,803	9,145	8,929	48,462	48,732
Depreciation	159,783	124,218	34,051	35,386	193,834	159,604
TOTAL OPERATING EXPENSES	<u>427,444</u>	<u>391,588</u>	<u>926,548</u>	<u>951,055</u>	<u>1,353,992</u>	<u>1,342,643</u>
OPERATING INCOME (LOSS)	<u>140,229</u>	<u>133,999</u>	<u>547,904</u>	<u>455,639</u>	<u>688,133</u>	<u>589,638</u>
NONOPERATING REVENUE (EXPENSE)						
Connection fees	3,000	7,500	3,000	7,500	6,000	15,000
Other income	512,584	165,573	388	-	512,972	165,573
Investment earnings	54,166	53,840	110,968	87,654	165,134	141,494
Rental income	12,295	11,822	-	-	12,295	11,822
Contributed capital	-	298,314	-	288,731	-	587,045
Interest and other expense	(2,257)	(2,545)	-	-	(2,257)	(2,545)
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>579,788</u>	<u>534,504</u>	<u>114,356</u>	<u>383,885</u>	<u>694,144</u>	<u>918,389</u>
OPERATING TRANSFER IN (OUT)	<u>(282,486)</u>	<u>(154,911)</u>	<u>(398,729)</u>	<u>(207,366)</u>	<u>(681,215)</u>	<u>(362,277)</u>
CHANGE IN NET POSITION	437,531	513,592	263,531	632,158	701,062	1,145,750
NET POSITION, JANUARY 1	<u>4,018,821</u>	<u>3,505,229</u>	<u>3,571,193</u>	<u>2,939,035</u>	<u>7,590,014</u>	<u>6,444,264</u>
NET POSITION, DECEMBER 31	<u>\$ 4,456,352</u>	<u>\$ 4,018,821</u>	<u>\$ 3,834,724</u>	<u>\$ 3,571,193</u>	<u>\$ 8,291,076</u>	<u>\$ 7,590,014</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, 2024 AND 2023

	Business-Type Activities - Enterprise Funds					
	601 Water		602 Sewer		Totals	
	2024	2023	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 567,447	\$ 533,322	\$ 1,459,028	\$ 1,410,676	\$ 2,026,475	\$ 1,943,998
Payments to suppliers and vendors	(162,613)	(169,868)	(805,892)	(803,059)	(968,505)	(972,927)
Payments to and on behalf of employees	(100,069)	(91,479)	(100,563)	(108,331)	(200,632)	(199,810)
Other receipts	524,879	177,395	3,388	7,500	528,267	184,895
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>829,644</u>	<u>449,370</u>	<u>555,961</u>	<u>506,786</u>	<u>1,385,605</u>	<u>956,156</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advance from (to) other fund	-	-	78,030	77,186	78,030	77,186
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(429,930)	(94,703)	-	-	(429,930)	(94,703)
Net proceeds (to) other funds	(282,486)	(154,911)	(398,729)	(207,366)	(681,215)	(362,277)
Principal paid on long-term debt	(15,000)	(15,000)	-	-	(15,000)	(15,000)
Interest and fiscal charges paid	(2,362)	(2,651)	-	-	(2,362)	(2,651)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(729,778)</u>	<u>(267,265)</u>	<u>(398,729)</u>	<u>(207,366)</u>	<u>(1,128,507)</u>	<u>(474,631)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received on cash and investments	54,166	53,840	110,968	87,654	165,134	141,494
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	154,032	235,945	346,230	464,260	500,262	700,205
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,461,770</u>	<u>1,225,825</u>	<u>2,109,174</u>	<u>1,644,914</u>	<u>3,570,944</u>	<u>2,870,739</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,615,802</u>	<u>\$ 1,461,770</u>	<u>\$ 2,455,404</u>	<u>\$ 2,109,174</u>	<u>\$ 4,071,206</u>	<u>\$ 3,570,944</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>						
Operating income (loss)	\$ 140,229	\$ 133,999	\$ 547,904	\$ 455,639	\$ 688,133	\$ 589,638
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Other income related to operations	527,879	184,895	3,388	7,500	531,267	192,395
Depreciation	159,783	124,218	34,051	35,386	193,834	159,604
Decrease (increase) in assets:						
Accounts receivable	(3,226)	235	(15,424)	3,982	(18,650)	4,217
Increase (decrease) in liabilities:						
Accounts payable	9,280	(1,103)	(9,987)	(3,980)	(707)	(5,083)
Accrued wages payable	369	(657)	55	51	424	(606)
Compensated absences payable	210	(877)	1,207	(1,100)	1,417	(1,977)
Pension related accounts	(4,880)	8,660	(5,233)	9,308	(10,113)	17,968
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 829,644</u>	<u>\$ 449,370</u>	<u>\$ 555,961</u>	<u>\$ 506,786</u>	<u>\$ 1,385,605</u>	<u>\$ 956,156</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS AND INVESTMENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</u>						
Cash and equivalents	<u>\$ 1,615,802</u>	<u>\$ 1,461,770</u>	<u>\$ 2,455,404</u>	<u>\$ 2,109,174</u>	<u>\$ 4,071,206</u>	<u>\$ 3,570,944</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, 2024

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 City'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 full cost of a vendor contract for a Community & Economic Development Specialist and property management to administer the Authority. 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, 2024

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 City's proprietary funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City 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.

2023 Street Project Fund - accounts for the debt issues and expenditures related to the 2023 street project.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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.

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.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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.
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.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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 2024. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts at December 31, 2024 was \$1,731 for the General Fund and \$4,050 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.

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.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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 in the government-wide and proprietary fund financial statements. When benefits are considered more likely than not to be used or settled at separation. 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.

Leases - The City is a lessor because it leases capital assets to other entities. The lease receivable is measured using the present value of payments to be received during the lease term. The corresponding deferred inflows of resources are recognized as inflows over the lease term

Subscription-Based Information Technology Arrangements (SBITA) - The SBITA liability is measured using the present value of payments to be made during the subscription term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the subscription term or the useful life.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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. 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, 2024

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.

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 the City'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.

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.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 2 - Fund Balances - Governmental Funds - Continued

At December 31, 2024, 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 Donations	Donor Specific Expenses	\$ -	\$ 114,012	\$ 114,012
Restricted:				
Debt Service	Debt Service		465,944	465,944
Capital Projects	Capital Projects	-	1,176,613	1,176,613
Other Purposes	Specific Expenses	-	232,235	232,235
Other Purposes	Economic Development	132,769	-	132,769
Committed:				
Public Safety	Public Safety	-	315,231	315,231
Capital Projects	Capital Projects	-	424,717	424,717
Housing	Housing	437,225	-	437,225
Culture, Recreation, and Education	Culture, Recreation, and Education	-	231,950	231,950
Assigned:				
Capital Projects	Capital Projects	950	-	950
Unassigned:		<u>1,642,578</u>	<u>(6,909)</u>	<u>1,635,669</u>
	TOTAL FUND BALANCES	<u>\$ 2,213,522</u>	<u>\$ 2,953,793</u>	<u>\$ 5,167,315</u>

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

NET POSITION

Governmental Activities

	<u>PURPOSE</u>	<u>AMOUNT</u>
<u>Restricted</u>		
General	Economic Development	\$ 132,769
Special Revenue	Specific Expenses	232,235
Special Revenue	Donor Restrictions	114,012
Debt Service	Principal and Interest	465,944
Capital Projects	Capital Projects	1,176,613
Total		<u>\$ 2,121,573</u>

Deficits

The following individual funds had deficits at December 31, 2024:

Fire Relief	\$ 288
2023 Street Project	<u>6,621</u>
	<u>\$ 6,909</u>

The deficits will be funded by future revenue.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 3 - Stewardship, Compliance, and Accountability

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

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

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

Excess of Expenditures over Appropriations - For the year ended December 31, 2024, there were no funds with expenditures exceeded appropriations.

NOTE 4 - Detailed Notes on All Funds

Deposits and Investments

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

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

Authorized collateral in lieu of a corporate surety bond includes:

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

CITY OF PLAINVIEW, MINNESOTA
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

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

At year end, the City's carrying amount of deposits was \$8,918,200 and the bank balance was \$9,350,722. Of the bank balance, \$313,624 was covered by federal depository insurance. Of the remaining balance, \$9,037,098 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 \$168,030 and the bank balance was \$164,799, all of which was covered by FDIC insurance.

Investments - As of December 31, 2024, 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	\$ 581,000	N/A	Less than one year
Non-pooled investments:			
SELCO Library Foundation	46,227	N/A	Less than one year
Time Certificates at Various Banks	<u>563,571</u>	N/A	More than one year
	<u>\$ 1,190,798</u>		

- 1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk. N/A indicates not applicable or available.
- 2) Interest rate risk is disclosed using the segmented time distribution method.

Determining Fair Value - The City categorizes its fair value measurements with in the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurement:

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

Cash on Hand

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

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

Cash and Investments Summary

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

Deposits		\$ 8,918,000
Investments		1,190,798
Cash on Hand		<u>200</u>
TOTAL		<u>\$ 10,108,998</u>
Cash and cash equivalents		\$ 8,918,200
Investments		<u>1,190,798</u>
TOTAL		<u>\$ 10,108,998</u>

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

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

Deferred Inflows

Governmental funds report deferred inflows in connection with receivables for 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>\$ 39,599</u>	<u>\$ -</u>

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

Capital Assets

Capital asset balances and activity for the year ended December 31, 2024 are as follows:

GOVERNMENTAL ACTIVITIES

	BALANCE 1/1/24	ADDITIONS	RETIREMENTS	BALANCE 12/31/24
<i>Capital assets not being depreciated:</i>				
Land	\$ 86,382	\$ -	-	\$ 86,382
Construction in progress	<u>3,464,232</u>	<u>1,307,391</u>	-	<u>4,771,623</u>
Total capital assets not being depreciated	<u>3,550,614</u>	<u>1,307,391</u>	-	<u>4,858,005</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	3,748,922	458,780	(270,139)	3,937,563
Other improvements	8,508,906	57,498	(39,791)	8,526,613
Equipment and machinery	<u>5,077,628</u>	<u>368,585</u>	<u>(1,148,272)</u>	<u>4,297,941</u>
Total capital assets being depreciated	<u>17,335,456</u>	<u>884,863</u>	<u>(1,458,202)</u>	<u>16,762,117</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	1,291,304	96,310	(35,910)	1,351,704
Other improvements	2,595,185	379,750	(22,710)	2,952,225
Equipment and machinery	<u>3,201,172</u>	<u>250,625</u>	<u>(1,150,927)</u>	<u>2,300,870</u>
Total accumulated depreciation	<u>7,087,661</u>	<u>726,685</u>	<u>(1,209,547)</u>	<u>6,604,799</u>
Total capital assets being depreciated, net	<u>10,247,795</u>	<u>158,178</u>	<u>(248,655)</u>	<u>10,157,318</u>
GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$13,798,409</u>	<u>\$ 1,465,569</u>	<u>\$ (248,655)</u>	<u>\$15,015,323</u>

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

General government	\$ 15,158
Public safety	195,409
Public works	409,898
Culture, recreation, and education	106,220
Total	<u>\$ 726,685</u>

	BALANCE 1/1/24	ADDITIONS	DISPOSALS	BALANCE 12/31/24
<i>Capital assets not being amortized:</i>				
SBITA asset	\$ -	\$ 35,154	\$ -	\$ 35,154
<i>Less accumulated amortization</i>				
SBITA asset	-	(7,031)	-	(7,031)
GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS, NET OF ACCUMULATED AMORTIZATION	<u>\$ -</u>	<u>\$ 28,123</u>	<u>\$ -</u>	<u>\$ 28,123</u>

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

Public safety	<u>\$ 7,031</u>
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CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

BUSINESS-TYPE ACTIVITIES

	BALANCE 1/1/24	ADDITIONS	RETIREMENTS	TRANSFERS	BALANCE 12/31/24
<i>Capital assets not being depreciated:</i>					
Land	\$ 10,250	\$ -	\$ -	\$ -	\$ 10,250
Construction in progress	<u>22,473</u>	<u>161,848</u>	<u>-</u>	<u>(184,321)</u>	<u>-</u>
Total capital assets not being depreciated	<u>32,723</u>	<u>161,848</u>	<u>-</u>	<u>(184,321)</u>	<u>10,250</u>
<i>Capital assets being depreciated</i>					
Systems and infrastructure	5,207,561	98,535	-	-	5,306,096
Furniture and equipment	<u>582,181</u>	<u>169,547</u>	<u>(136,999)</u>	<u>184,321</u>	<u>799,050</u>
Total capital assets being depreciated	<u>5,789,742</u>	<u>268,082</u>	<u>(136,999)</u>	<u>184,321</u>	<u>6,105,146</u>
Less accumulated depreciation for:					
Systems and infrastructure	2,072,415	111,175	-	-	2,183,590
Furniture and equipment	<u>291,032</u>	<u>82,659</u>	<u>(136,999)</u>	<u>-</u>	<u>236,692</u>
Total accumulated depreciation	<u>2,363,447</u>	<u>193,834</u>	<u>(136,999)</u>	<u>-</u>	<u>2,420,282</u>
Total capital assets being depreciated, net	<u>3,426,295</u>	<u>74,248</u>	<u>-</u>	<u>184,321</u>	<u>3,684,864</u>
BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS, NET	<u>\$ 3,459,018</u>	<u>\$ 236,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,695,114</u>

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

Water	\$ 159,783
Sewer	<u>34,051</u>
Total	<u>\$ 193,834</u>

Capital Asset balances for the Component Unit at December 31, 2024, are as follows:

COMPONENT UNIT

	BALANCE 1/1/24	ADDITIONS	RETIREMENTS	BALANCE 12/31/24
<i>Capital assets not being depreciated:</i>				
Land	\$ 15,798	\$ -	\$ -	\$ 15,798
<i>Capital assets being depreciated</i>				
Buildings	255,839	6,699	-	262,538
Equipment	<u>6,540</u>	<u>6,100</u>	<u>-</u>	<u>12,640</u>
Total capital assets being depreciated	<u>262,379</u>	<u>12,799</u>	<u>-</u>	<u>275,178</u>
Less accumulated depreciation for:				
Buildings	48,947	9,284	-	58,231
Equipment	<u>3,952</u>	<u>1,147</u>	<u>-</u>	<u>5,099</u>
Total accumulated depreciation	<u>52,899</u>	<u>10,431</u>	<u>-</u>	<u>63,330</u>
Total capital assets being depreciated, net	<u>209,480</u>	<u>2,368</u>	<u>-</u>	<u>211,848</u>
COMPONENT UNIT - CAPITAL ASSETS, NET	<u>\$ 225,278</u>	<u>\$ 2,368</u>	<u>\$ -</u>	<u>\$ 227,646</u>

Depreciation by function:

Governmental Activities

Economic Development Authority	<u>\$ 10,431</u>
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CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

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 pool and street construction. Revenue to retire the bonds come from ad valorem tax levies.

<u>DESCRIPTION</u>	<u>AUTHORIZED AND ISSUED</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>BALANCE AT YEAR-END</u>
G.O. Swimming Pool Refunding Bond of 2015A	\$ 645,000	3.00%	05/01/2015	02/01/2030	\$ 563,000
G.O. Tax Abatement Note 2019A - direct borrowing	647,000	2.00%	12/02/2019	02/01/2031	572,000
G.O. Utility Revenue Bond 2020A	1,957,000	1.35%	05/19/2020	02/01/2031	1,729,000
G.O. Utility Revenue Bond 2023A	3,630,000	4.00%	07/25/2023	02/01/2034	<u>3,455,000</u>
TOTAL G.O.					<u>\$ 6,319,000</u>

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.

General Obligation Debt Limit - The legal debt limit as of December 31, 2024 is \$10,136,948 the City has \$4,283,892 remaining on the limit.

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.

<u>DESCRIPTION</u>	<u>AUTHORIZED AND ISSUED</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>BALANCE AT YEAR-END</u>
G.O. Water Revenue MPFA-11-0036-R	122,422	1.93%	07/01/2011	08/20/2031	<u>\$ 107,422</u>

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

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	
2025	\$ 604,000	\$ 177,925	\$ 77,000	\$ 10,670	\$ 869,595
2026	628,000	159,217	78,000	9,120	874,337
2027	642,000	139,872	80,000	7,540	869,412
2028	666,000	119,889	82,000	5,920	873,809
2029	686,000	99,178	83,000	4,270	872,448
2030-2034	<u>2,521,000</u>	<u>207,178</u>	<u>172,000</u>	<u>3,460</u>	<u>2,903,638</u>
TOTAL	<u>\$5,747,000</u>	<u>\$ 903,259</u>	<u>\$ 572,000</u>	<u>\$ 40,980</u>	<u>\$7,263,239</u>

YEAR ENDING DECEMBER 31,	G.O. REVENUE BONDS BUSINESS-TYPE ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
	2025	\$ 15,000	\$ 2,073
2026	15,000	1,783	16,783
2027	16,000	1,494	17,494
2028	16,000	1,185	17,185
2029	16,000	977	16,977
2030	17,000	568	17,568
2031	<u>12,442</u>	<u>240</u>	<u>12,682</u>
TOTAL	<u>\$ 107,442</u>	<u>\$ 8,320</u>	<u>\$ 115,762</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	DUE WITHIN ONE YEAR
GOVERNMENTAL					
General obligation bonds	\$ 6,232,000	\$ -	\$ (485,000)	\$5,747,000	\$ 604,000
Net pension liability	1,237,381	-	(389,891)	847,490	-
Notes payable - direct placement	647,000	-	(75,000)	572,000	77,000
Premium	157,611	-	(15,631)	141,980	15,631
Compensated absences	<u>109,622</u>	<u>34,753</u>	<u>-</u>	<u>144,375</u>	<u>129,938</u>
GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 8,383,614</u>	<u>\$ 34,753</u>	<u>\$ (965,522)</u>	<u>\$7,452,845</u>	<u>\$ 826,569</u>
BUSINESS-TYPE					
Bonds payable					
General obligation revenue bonds	\$ 122,422	\$ -	\$ (15,000)	\$ 107,422	\$ 15,000
Net pension liability	203,830	-	(64,226)	139,604	-
Compensated absences	<u>9,559</u>	<u>1,417</u>	<u>-</u>	<u>10,976</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES LONG-TERM LIABILITIES	<u>\$ 335,811</u>	<u>\$ 1,417</u>	<u>\$ (79,226)</u>	<u>\$ 258,002</u>	<u>\$ 15,000</u>

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Detailed Notes on All Funds - Continued

Interfund Balance and Activity

Interfund receivable and payable balances on December 31, 2024, are as follows:

<u>ADVANCE TO</u>	<u>ADVANCE FROM</u>	<u>AMOUNT</u>
General	Sewer	<u>\$ 834,790</u>

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, 2024, were as follows:

<u>FUND TRANSFERRED TO</u>	<u>FUND TRANSFERRED FROM</u>	<u>AMOUNT</u>
General	Capital Projects	\$ 267,701
General	Water	50,000
General	Sewer	50,000
Debt Service	Water and Sewer	581,215
2023 Street Project	Street Improvement	642,108
TOTAL		<u>\$ 1,591,024</u>

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.

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	\$ 25	\$ 854
Current (approximate)	28,083	6,056
CAPTURED - RETAINED	<u>\$ 28,058</u>	<u>\$ 5,202</u>

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). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan – Statewide - Continued

General Employees Retirement Fund (GERF)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenue is derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Public Employees Police and Fire Fund (PEPFF)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes Section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the City's governing body. The resolution must state that the position meets plan requirements.

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by 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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Retirement Fund Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement 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. The 2024 annual increase was 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. 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 prorated increase.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued

Public Employees Police and Fire Fund Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement 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 prorated increase.

Contributions

Minnesota Statutes chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

GERF Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$69,188. 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 2024 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, 2024, were \$108,946. The City's contributions were equal to the required contributions as set by state statute.

Pension Costs

GERF Pension Costs

At December 31, 2024, the City reported a liability of \$402,959 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 \$10,420.

City's proportionate share of the net pension liability	\$ 402,959
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>10,420</u>
TOTAL	<u>\$ 413,379</u>

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued

The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, 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 0.0120 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$5,221 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$279 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$18,540 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, 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	\$ 38,911	\$ -
Changes in assumptions	1,968	163,755
Net differences between projected and actual earnings on pension plan investments	-	130,097
Changes in proportion and differences between employer contributions and proportionate share of contributions	43,560	55,748
Employer contributions subsequent to the measurement date	34,379	-
Total	\$ 118,818	\$ 349,600

\$34,379 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, 2025. 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>
2025	\$ (146,230)
2026	(21,961)
2027	(66,086)
2028	(30,884)

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued

PEPFF Pension Costs

At December 31, 2024, the City reported a liability of \$584,130 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0444 percent at the end of the measurement period and 0.0448 percent for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. 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 supplemental 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. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$22,292.

City's proportionate share of the net pension liability	\$ 584,130
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>22,292</u>
TOTAL	<u>\$ 606,422</u>

For the year ended December 31, 2024, the City recognized pension expense of \$71,949 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$2,493 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

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 \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$12,622 for the year ended December 31, 2024 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, 2024, 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	\$ 225,374	\$ -
Changes in assumptions	616,129	863,748
Net differences between projected and actual earnings on pension plan investments	-	161,638
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,017	8,841
Employer contributions subsequent to the measurement date	55,116	-
Total	<u>\$ 923,636</u>	<u>\$1,034,227</u>

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued

\$55,116 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, 2024. 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>
2025	\$ (10,096)
2026	141,440
2027	(80,366)
2028	(229,729)
2029	13,044

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	5.10%
International Equity	16.50%	5.30%
Fixed Income	25.00%	0.75%
Private Markets	25.00%	5.90%
Total	100.00%	

Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.00 percent. The 7.00 percent assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.00 percent is within that range.

- Inflation is assumed to be 2.25 percent for the General Employees Plan, Police & Fire Plan.
- Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1.00 percent for the Police & Fire Plan.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75 percent after one year of service to 3.00 percent after 24 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Police and Fire Fund

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

CITY OF PLAINVIEW, MINNESOTA
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2024

NOTE 5 - Defined Benefit Pension Plan - Statewide - Continued

Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2024 was 7.0 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.

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:

Sensitivity Analysis				
<i>Net Pension Liability (Asset) at Different Discount Rates</i>				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.00%	\$880,127	6.00%	\$1,381,969
Current Discount Rate	7.00%	\$402,959	7.00%	\$584,788
1% Higher	8.00%	\$10,445	8.00%	\$(69,864)

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.

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 2.00 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 2024 were not material.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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 2024, the City recognized \$12,573 of lease revenue and \$1,535 of interest revenue under the lease. The lease receivable and deferred inflows of resources related to the lease are \$26,084 as of December 31, 2024.

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 2024 was \$971,892 for LGA. This accounted for 26 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.

CITY OF PLAINVIEW, MINNESOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 8 - Other Information - Continued

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, 2024, totaled \$752,060.

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, 2024

	General			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Taxes	\$ 1,638,233	\$ 1,622,581	\$ 1,627,076	\$ 4,495
Licenses and permits	43,700	34,653	34,653	-
Intergovernmental	1,056,940	1,132,438	1,132,438	-
Charges for services	141,200	142,085	142,085	-
Fines and forfeits	14,000	14,703	14,703	-
Investment earnings	35,000	106,124	106,124	-
Miscellaneous	77,000	665,903	675,199	9,296
TOTAL REVENUE	<u>3,006,073</u>	<u>3,718,487</u>	<u>3,732,278</u>	<u>13,791</u>
EXPENDITURES				
Current				
General government	787,456	780,944	780,936	8
Public safety	1,389,278	1,343,772	1,343,707	65
Streets and highways	674,823	507,232	507,232	-
Economic development	66,030	65,350	65,349	1
Miscellaneous	17,800	17,800	17,800	-
Capital Outlay				
General government		458,780	458,780	-
Public safety	7,000	153,054	153,054	-
Streets and highways	255,000	318,737	318,736	1
Debt Service				
General government	62,686	62,686	19,656	43,030
TOTAL EXPENDITURES	<u>3,260,073</u>	<u>3,708,355</u>	<u>3,665,250</u>	<u>43,105</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(254,000)	10,132	67,028	56,896
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	362,000	362,000	367,701	5,701
NET CHANGE IN FUND BALANCES	108,000	372,132	434,729	62,597
FUND BALANCES (DEFICITS), JANUARY 1	<u>1,778,793</u>	<u>1,778,793</u>	<u>1,778,793</u>	<u>-</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 1,886,793</u>	<u>\$ 2,150,925</u>	<u>\$ 2,213,522</u>	<u>\$ 62,597</u>

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

CITY OF PLAINVIEW, MINNESOTA
RETIREMENT SYSTEM SCHEDULES - GENERAL EMPLOYEES RETIREMENT FUND (GERF)
DECEMBER 31, 2024

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	2023	2024
Proportion of the net pension liability	0.0121000%	0.0143000%	0.0142000%	0.0138000%	0.0126000%	0.0118000%	0.0109000%	0.0120000%	0.0109000%
Proportionate share of the net pension liability	\$ 982,460	\$ 912,903	\$ 787,758	\$ 762,971	\$ 755,428	\$ 503,913	\$ 863,284	\$ 671,027	\$ 402,959
Covered payroll	\$ 855,587	\$ 917,520	\$ 952,360	\$ 976,587	\$ 899,253	\$ 846,667	\$ 818,480	\$ 957,013	\$ 922,507
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%	70.12%	43.68%
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%	74.62%	46.11%

SCHEDULE OF CONTRIBUTIONS

City Calendar year ended 12/31	Last 10 Fiscal Years								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 64,169	\$ 68,814	\$ 71,427	\$ 67,653	\$ 69,121	\$ 59,625	\$ 66,620	\$ 70,062	\$ 69,188
Contributions in relation to the contractually required contributions	<u>(64,169)</u>	<u>(68,814)</u>	<u>(71,427)</u>	<u>(67,653)</u>	<u>(69,121)</u>	<u>(59,625)</u>	<u>(66,620)</u>	<u>(70,062)</u>	<u>(69,188)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 855,587	\$ 917,520	\$ 952,360	\$ 902,036	\$ 921,612	\$ 796,091	\$ 889,367	\$ 935,255	\$ 922,507
Contributions as a percentage of covered payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.49%	7.49%	7.49%	7.50%

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, 2024

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, 2024

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	2023	2024
Proportion of the net pension liability	0.0420000%	0.0460000%	0.0457000%	0.0478000%	0.0380000%	0.0378000%	0.0378000%	0.0446000%	0.0444000%
Proportionate share of the net pension liability	\$ 1,685,533	\$ 621,055	\$ 487,115	\$ 508,879	\$ 500,881	\$ 291,776	\$ 1,949,519	\$ 770,184	\$ 584,130
Covered payroll	\$ 447,580	\$ 481,827	\$ 481,660	\$ 561,123	\$ 420,288	\$ 446,531	\$ 543,791	\$ 585,955	\$ 615,514
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%	131.44%	94.90%
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%	86.47%	90.20%

SCHEDULE OF CONTRIBUTIONS

City Calendar year ended 12/31	Last 10 Fiscal Years								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contributions	\$ 72,508	\$ 78,056	\$ 78,029	\$ 83,260	\$ 73,298	\$ 89,561	\$ 98,224	\$ 103,216	\$ 108,946
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>	<u>(103,216)</u>	<u>(108,946)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 583,135	\$ 615,514
Contributions as a percentage of covered payroll	16.20%	16.20%	16.20%	16.92%	17.70%	17.70%	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, 2024

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, 2024

<u>ASSETS</u>	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Capital Project</u>	<u>Totals</u>
Cash and cash equivalents	\$ 686,955	\$ 424,250	\$ 1,111,205
Investments	223,354	-	223,354
Accounts receivable, net of allowance	<u>-</u>	<u>467</u>	<u>467</u>
TOTAL ASSETS	<u>\$ 910,309</u>	<u>\$ 424,717</u>	<u>\$ 1,335,026</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 13,355	\$ -	\$ 13,355
Accrued wages and taxes payable	3,814	-	3,814
TOTAL LIABILITIES	<u>17,169</u>	<u>-</u>	<u>17,169</u>
 FUND BALANCES			
Nonspendable	114,012	-	114,012
Restricted	232,235	-	232,235
Committed	547,181	424,717	971,898
Unassigned	<u>(288)</u>	<u>-</u>	<u>(288)</u>
TOTAL FUND BALANCES	<u>893,140</u>	<u>424,717</u>	<u>1,317,857</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 910,309</u>	<u>\$ 424,717</u>	<u>\$ 1,335,026</u>

CITY OF PLAINVIEW, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Nonmajor Special Revenue	Nonmajor Capital Project	Totals
REVENUE			
Taxes	\$ 642,700	\$ 188,001	\$ 830,701
Intergovernmental	104,243	-	104,243
Charges for services	137,026	3,851	140,877
Fines and forfeits	248	-	248
Investment earnings	27,998	23,017	51,015
Miscellaneous	57,277	35,000	92,277
TOTAL REVENUE	969,492	249,869	1,219,361
EXPENDITURES			
Current			
Public safety	103,810	-	103,810
Streets and highways	-	8,875	8,875
Culture and recreation	728,760	-	728,760
Economic development	38,120	-	38,120
Cemetery	45,190	-	45,190
Capital Outlay			
Public safety	9,867	-	9,867
Culture and recreation	36,072	-	36,072
TOTAL EXPENDITURES	961,819	8,875	970,694
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	7,673	240,994	248,667
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(267,701)	(267,701)
NET CHANGE IN FUND BALANCES	7,673	(26,707)	(19,034)
FUND BALANCES (DEFICITS), JANUARY 1	885,467	451,424	1,336,891
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 893,140	\$ 424,717	\$ 1,317,857

CITY OF PLAINVIEW, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	<u>211</u>	<u>215</u>	<u>225</u>	<u>235</u>	<u>240</u>	<u>245</u>	<u>250</u>	<u>505</u>	<u>506</u>	Total
	Library	Library Memorial	Park	Cemetery	Cemetery Perpetual Care	Rural Fire	Fire Relief	LeVan TIF	TIF Downtown Redevelopment Fund	Nonmajor Funds
ASSETS										
Cash and cash equivalents	\$ 165,047	\$ 1,543	\$ 36,830	\$ 46,196	\$ 2,791	\$ 210,267	\$ -	\$ 178,758	\$ 45,523	\$ 686,955
Investments	-	46,227	-	-	71,405	105,722	-	-	-	223,354
TOTAL ASSETS	\$ 165,047	\$ 47,770	\$ 36,830	\$ 46,196	\$ 74,196	\$ 315,989	\$ -	\$ 178,758	\$ 45,523	\$ 910,309
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 2,559	\$ -	\$ 6,478	\$ 3,272	\$ -	\$ 758	\$ 288	\$ -	\$ -	\$ 13,355
Accrued wages and taxes payable	2,881	-	933	-	-	-	-	-	-	3,814
TOTAL LIABILITIES	5,440	-	7,411	3,272	-	758	288	-	-	17,169
FUND BALANCES										
Nonspendable	-	46,227	-	-	67,785	-	-	-	-	114,012
Restricted	-	1,543	-	-	6,411	-	-	178,758	45,523	232,235
Committed	159,607	-	29,419	42,924	-	315,231	-	-	-	547,181
Unassigned	-	-	-	-	-	-	(288)	-	-	(288)
TOTAL FUND BALANCES	159,607	47,770	29,419	42,924	74,196	315,231	(288)	178,758	45,523	893,140
TOTAL LIABILITIES AND FUND BALANCES	\$ 165,047	\$ 47,770	\$ 36,830	\$ 46,196	\$ 74,196	\$ 315,989	\$ -	\$ 178,758	\$ 45,523	\$ 910,309

CITY OF PLAINVIEW, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>211</u>	<u>215</u>	<u>225</u>	<u>235</u>	<u>240</u>	<u>245</u>	<u>250</u>	<u>505</u>	<u>506</u>	Total
	Library	Library Memorial	Park	Cemetery	Cemetery Perpetual Care	Rural Fire	Fire Relief	LeVan TIF	TIF Downtown Redevelopment Fund	Nonmajor Funds
REVENUE										
Taxes										
Property taxes	\$ 260,846	\$ -	\$ 288,941	\$ 29,934	\$ -	\$ -	\$ 21,085	\$ -	\$ 6,555	\$ 607,361
Tax increment district taxes	-	-	-	-	-	-	-	35,339	-	35,339
Intergovernmental										
Fire relief state aid	-	-	-	-	-	-	53,715	-	-	53,715
Other County grants	50,528	-	-	-	-	-	-	-	-	50,528
Charges for services	-	-	79,909	11,064	1,300	44,753	-	-	-	137,026
Fines and forfeits	248	-	-	-	-	-	-	-	-	248
Investment earnings	-	2,805	347	2,515	1,108	11,861	-	7,436	1,926	27,998
Other	26,010	7,250	18,971	4,206	-	840	-	-	-	57,277
TOTAL REVENUE	<u>337,632</u>	<u>10,055</u>	<u>388,168</u>	<u>47,719</u>	<u>2,408</u>	<u>57,454</u>	<u>74,800</u>	<u>42,775</u>	<u>8,481</u>	<u>969,492</u>
EXPENDITURES										
Current										
Public safety	-	-	-	-	-	28,895	74,915	-	-	103,810
Culture and recreation	326,928	11,669	390,163	-	-	-	-	-	-	728,760
Economic development	-	-	-	-	-	-	-	30,930	7,190	38,120
Cemetery	-	-	-	45,190	-	-	-	-	-	45,190
Capital Outlay										
Public safety	-	-	-	-	-	9,867	-	-	-	9,867
Culture and recreation	5,878	-	-	30,194	-	-	-	-	-	36,072
TOTAL EXPENDITURES	<u>332,806</u>	<u>11,669</u>	<u>390,163</u>	<u>75,384</u>	<u>-</u>	<u>38,762</u>	<u>74,915</u>	<u>30,930</u>	<u>7,190</u>	<u>961,819</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	4,826	(1,614)	(1,995)	(27,665)	2,408	18,692	(115)	11,845	1,291	7,673
FUND BALANCES (DEFICITS), JANUARY 1	154,781	49,384	31,414	70,589	71,788	296,539	(173)	166,913	44,232	885,467
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 159,607</u>	<u>\$ 47,770</u>	<u>\$ 29,419</u>	<u>\$ 42,924</u>	<u>\$ 74,196</u>	<u>\$ 315,231</u>	<u>\$ (288)</u>	<u>\$ 178,758</u>	<u>\$ 45,523</u>	<u>\$ 893,140</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, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
Property taxes	\$ 262,253	\$ 261,823	\$ 260,846	(977)	\$ 244,809
Intergovernmental					
Other county grants	50,528	50,528	50,528	-	49,876
Fines and forfeits	200	248	248	-	83
Miscellaneous					
Contributions and donations	-	1,480	1,480	-	900
Sale of assets	-	461	461	-	459
Other	3,200	14,040	24,069	10,029	8,807
TOTAL REVENUE	<u>316,181</u>	<u>328,580</u>	<u>337,632</u>	<u>9,052</u>	<u>304,934</u>
EXPENDITURES					
Current					
Culture and recreation					
Personal services	237,336	233,347	233,345	2	220,320
Supplies	44,500	62,044	62,044	-	42,966
Other services and charges	34,545	31,537	31,539	(2)	31,004
Capital Outlay					
Culture and recreation	-	11,756	5,878	5,878	4,268
TOTAL EXPENDITURES	<u>316,381</u>	<u>338,684</u>	<u>332,806</u>	<u>5,878</u>	<u>298,558</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(200)	(10,104)	4,826	14,930	6,376
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	-	-	-	4,351
NET CHANGE IN FUND BALANCES	(200)	(10,104)	4,826	14,930	10,727
FUND BALANCES (DEFICITS), JANUARY 1	<u>154,781</u>	<u>154,781</u>	<u>154,781</u>	<u>-</u>	<u>144,054</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 154,581</u>	<u>\$ 144,677</u>	<u>\$ 159,607</u>	<u>\$ 14,930</u>	<u>\$ 154,781</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, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
Property taxes	\$ 290,538	\$ 290,185	\$ 288,941	\$ (1,244)	\$ 243,123
Charges for services	66,717	79,909	79,909	-	67,409
Investment earnings	-	347	347	-	511
Miscellaneous	-	-	-	-	-
Rent	1,000	1,605	1,605	-	1,275
Contributions and donations	-	-	-	-	20
Other	14,020	17,366	17,366	-	12,923
TOTAL REVENUE	<u>372,275</u>	<u>389,412</u>	<u>388,168</u>	<u>(1,244)</u>	<u>325,261</u>
EXPENDITURES					
Current					
Culture and recreation					
Personal services	235,693	246,383	246,382	1	221,707
Supplies	54,900	59,038	59,036	2	39,208
Other services and charges	81,682	84,746	84,745	1	82,582
Capital outlay					
Culture and recreation	350,000	-	-	-	9,756
TOTAL EXPENDITURES	<u>722,275</u>	<u>390,167</u>	<u>390,163</u>	<u>4</u>	<u>353,253</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES					
	(350,000)	(755)	(1,995)	(1,240)	(27,992)
OTHER FINANCES SOURCES (USES)					
Transfers in (out)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>	<u>9,756</u>
NET CHANGE IN FUND BALANCES					
	(700,000)	(350,755)	(1,995)	348,760	(18,236)
FUND BALANCES (DEFICITS), JANUARY 1					
	<u>31,414</u>	<u>31,414</u>	<u>31,414</u>	<u>-</u>	<u>49,650</u>
FUND BALANCES (DEFICITS), DECEMBER 31					
	<u>\$ (668,586)</u>	<u>\$ (319,341)</u>	<u>\$ 29,419</u>	<u>\$ 348,760</u>	<u>\$ 31,414</u>

CITY OF PLAINVIEW, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CEMETERY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
Property taxes	\$ 30,090	\$ 30,090	\$ 29,934	\$ (156)	\$ 26,420
Charges for services	11,000	11,064	11,064	-	9,735
Investment earnings	-	-	2,515	2,515	1,239
Contributions and donations	-	-	-	-	-
Miscellaneous	3,500	4,206	4,206	-	10,127
TOTAL REVENUE	44,590	45,360	47,719	2,359	47,521
EXPENDITURES					
Current					
Cemetery					
Supplies	2,000	511	511	-	761
Other services and charges	42,590	44,679	44,679	-	35,895
Capital outlay	42,101	30,194	30,194	-	5,228
TOTAL EXPENDITURES	86,691	75,384	75,384	-	41,884
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(42,101)	(30,024)	(27,665)	2,359	5,637
OTHER FINANCES SOURCES (USES)					
Transfers in (out)	5,000	5,000	-	(5,000)	42,328
NET CHANGE IN FUND BALANCES	(37,101)	(25,024)	(27,665)	(2,641)	47,965
FUND BALANCES (DEFICITS), JANUARY 1	70,589	70,589	70,589	-	22,624
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 33,488	\$ 45,565	\$ 42,924	\$ (2,641)	\$ 70,589

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, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
Charges for services	\$ 1,000	\$ 1,300	\$ 1,300	\$ -	\$ 1,100
Investment earnings	750	1,108	1,108	-	952
TOTAL REVENUE	<u>1,750</u>	<u>2,408</u>	<u>2,408</u>	-	<u>2,052</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,750	2,408	2,408	-	2,052
FUND BALANCES (DEFICITS), JANUARY 1	<u>71,788</u>	<u>71,788</u>	<u>71,788</u>	<u>-</u>	<u>69,736</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 73,538</u>	<u>\$ 74,196</u>	<u>\$ 74,196</u>	<u>\$ -</u>	<u>\$ 71,788</u>

CITY OF PLAINVIEW, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
RURAL FIRE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
Charges for services	\$ 47,413	\$ 44,753	\$ 44,753	\$ -	\$ 48,798
Investment earnings	500	11,860	11,861	1	9,694
Miscellaneous - other	10,500	840	840	-	10,231
TOTAL REVENUE	58,413	57,453	57,454	1	68,723
EXPENDITURES					
Current					
Public safety					
Personal services	15,114	12,055	12,055	-	11,549
Supplies	17,500	10,912	10,912	-	17,692
Other services and charges	8,632	5,928	5,928	-	6,930
Capital Outlay					
Public safety	-	9,867	9,867	-	-
TOTAL EXPENDITURES	41,246	38,762	38,762	-	36,171
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	17,167	18,691	18,692	1	32,552
FUND BALANCES (DEFICITS), JANUARY 1	296,539	296,539	296,539	-	263,987
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 313,706	\$ 315,230	\$ 315,231	\$ 1	\$ 296,539

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, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
Property taxes	\$ 21,200	\$ 21,200	\$ 21,085	\$ (115)	\$ 20,111
Intergovernmental					
Fire relief state aid	<u>46,752</u>	<u>53,715</u>	<u>53,715</u>	<u>-</u>	<u>46,753</u>
TOTAL REVENUE	67,952	74,915	74,800	(115)	66,864
EXPENDITURES					
Current					
Public safety					
Other service and charges	<u>67,952</u>	<u>74,915</u>	<u>74,915</u>	<u>-</u>	<u>66,953</u>
NET CHANGE IN FUND BALANCES	-	-	(115)	(115)	(89)
FUND BALANCES (DEFICITS), JANUARY 1	<u>(173)</u>	<u>(173)</u>	<u>(173)</u>	<u>-</u>	<u>(84)</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u><u>(173)</u></u>	<u><u>(173)</u></u>	<u><u>(288)</u></u>	<u><u>(115)</u></u>	<u><u>(173)</u></u>

CITY OF PLAINVIEW, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2024

	246	404	405	Total
	Fire Equipment Replacement	Stormwater/ Drainage	Capital Projects	Nonmajor Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 126,963	\$ 7,341	\$ 289,946	\$ 424,250
Receivables	-	467	-	467
TOTAL ASSETS	\$ 126,963	\$ 7,808	\$ 289,946	\$ 424,717
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Committed	126,963	7,808	289,946	424,717
TOTAL LIABILITIES AND FUND BALANCES	\$ 126,963	\$ 7,808	\$ 289,946	\$ 424,717

CITY OF PLAINVIEW, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>246</u>	<u>404</u>	<u>405</u>	<u>Total</u>
	Fire Equipment Replacement	Stormwater/ Drainage	Capital Projects	Nonmajor Funds
REVENUE				
Taxes				
Property taxes	\$ -	\$ -	\$ 188,001	\$ 188,001
Charges for services	-	3,851	-	3,851
Investment earnings	4,481	597	17,939	23,017
Miscellaneous	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
TOTAL REVENUE	39,481	4,448	205,940	249,869
EXPENDITURES				
Current				
Streets and highways	<u>-</u>	<u>8,875</u>	<u>-</u>	<u>8,875</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	39,481	(4,427)	205,940	240,994
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>(267,701)</u>	<u>(267,701)</u>
NET CHANGE IN FUND BALANCES	39,481	(4,427)	(61,761)	(26,707)
FUND BALANCES (DEFICITS), JANUARY 1	<u>87,482</u>	<u>12,235</u>	<u>351,707</u>	<u>451,424</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 126,963</u>	<u>\$ 7,808</u>	<u>\$ 289,946</u>	<u>\$ 424,717</u>

CITY OF PLAINVIEW, MINNESOTA
COMPARATIVE BALANCE SHEETS
GENERAL FUND

	YEAR ENDED DECEMBER 31,	
	2024	2023
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,674,297	\$ 2,710,630
Investments	386,444	374,725
Receivables:		
Delinquent taxes	39,599	49,369
Accounts	28,065	31,472
Intergovernmental	25,135	15,436
TOTAL ASSETS	\$ 3,153,540	\$ 3,181,632
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable	\$ 41,997	\$ 64,271
Unearned revenue	-	354,712
Accrued wages payable	23,632	21,667
Advance to other fund	834,790	912,820
TOTAL LIABILITIES	900,419	1,353,470
DEFERRED INFLOWS OF RESOURCES	39,599	49,369
FUND BALANCES		
Restricted	132,769	120,366
Committed	437,225	418,073
Assigned	950	950
Unassigned	1,642,578	1,239,404
TOTAL FUND BALANCES	2,213,522	1,778,793
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,153,540	\$ 3,181,632

CITY OF PLAINVIEW, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUE					
TAXES					
Property taxes	\$ 1,581,633	\$ 1,580,270	\$ 1,584,765	4,495	\$ 1,512,717
Franchise fees	56,600	42,311	42,311	-	46,084
TOTAL TAXES	<u>1,638,233</u>	<u>1,622,581</u>	<u>1,627,076</u>	<u>4,495</u>	<u>1,558,801</u>
LICENSES AND PERMITS					
Business	12,000	13,112	13,112	-	11,890
Nonbusiness	31,700	21,541	21,541	-	33,913
TOTAL LICENSES AND PERMITS	<u>43,700</u>	<u>34,653</u>	<u>34,653</u>	<u>-</u>	<u>45,803</u>
INTERGOVERNMENTAL					
State					
Local government aid	971,892	971,892	971,892	-	860,976
Property tax credits and aids	1,100	1,187	1,187	-	1,110
Police aid	78,948	94,589	94,589	-	78,948
Other state aids	3,000	59,788	59,788	-	180,173
Total state	<u>1,054,940</u>	<u>1,127,456</u>	<u>1,127,456</u>	<u>-</u>	<u>1,121,207</u>
Local					
Other grants	2,000	4,982	4,982	-	15,725
TOTAL INTERGOVERNMENTAL	<u>1,056,940</u>	<u>1,132,438</u>	<u>1,132,438</u>	<u>-</u>	<u>1,136,932</u>
CHARGES FOR SERVICES					
Public safety	61,700	62,187	62,187	-	63,772
Streets and highways	41,800	38,650	38,650	-	38,778
Sanitation	31,700	31,000	31,000	-	30,901
Transit	6,000	10,248	10,248	-	9,630
TOTAL CHARGES FOR SERVICES	<u>141,200</u>	<u>142,085</u>	<u>142,085</u>	<u>-</u>	<u>143,081</u>
FINES AND FORFEITS	<u>14,000</u>	<u>14,703</u>	<u>14,703</u>	<u>-</u>	<u>18,016</u>
INVESTMENT EARNINGS	<u>35,000</u>	<u>106,124</u>	<u>106,124</u>	<u>-</u>	<u>79,472</u>
MISCELLANEOUS					
TIF admin fees	4,000	9,499	9,499	-	
Contributions and donations	50,000	133,068	133,068	-	289,323
Other	22,500	523,030	532,326	9,296	41,358
Other sales	500	306	306	-	7,470
TOTAL MISCELLANEOUS	<u>77,000</u>	<u>665,903</u>	<u>675,199</u>	<u>9,296</u>	<u>338,151</u>
TOTAL REVENUE	<u>3,006,073</u>	<u>3,718,487</u>	<u>3,732,278</u>	<u>13,791</u>	<u>3,320,256</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, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
EXPENDITURES					
CURRENT					
GENERAL GOVERNMENT					
Council					
Personal services	\$ 14,356	\$ 14,346	\$ 14,346	\$ -	\$ 14,352
Other services	200	145	145	-	66
Other charges	37,863	31,573	31,572	1	35,827
Total Council	<u>52,419</u>	<u>46,064</u>	<u>46,063</u>	<u>1</u>	<u>50,245</u>
Elections					
Personal services	-	8,879	8,878	1	-
Other charges	4,350	3,465	3,466	(1)	960
Total Elections	<u>4,350</u>	<u>12,344</u>	<u>12,344</u>	<u>-</u>	<u>960</u>
Financial administration					
Personal services	466,275	468,015	468,010	5	473,454
Supplies	15,500	11,959	11,959	-	12,804
Other services	130,950	133,772	133,771	1	148,564
Other charges	117,962	108,790	108,789	1	94,206
Total Financial Administration	<u>730,687</u>	<u>722,536</u>	<u>722,529</u>	<u>7</u>	<u>729,028</u>
TOTAL GENERAL GOVERNMENT	<u>787,456</u>	<u>780,944</u>	<u>780,936</u>	<u>8</u>	<u>780,233</u>
PUBLIC SAFETY					
Police					
Personal services	1,088,264	1,074,533	1,074,530	3	1,004,971
Supplies	50,500	49,466	49,410	56	43,052
Other services	55,100	49,152	49,150	2	47,594
Other charges	64,580	44,895	44,894	1	62,798
Total Police	<u>1,258,444</u>	<u>1,218,046</u>	<u>1,217,984</u>	<u>62</u>	<u>1,158,415</u>
Fire-City					
Personal services	30,178	27,953	27,953	-	36,998
Supplies	48,800	52,341	52,340	1	83,272
Other services	1,100	6,990	6,989	1	1,145
Other charges	43,482	33,490	33,489	1	51,034
Total Fire-City	<u>123,560</u>	<u>120,774</u>	<u>120,771</u>	<u>3</u>	<u>172,449</u>
Emergency Management					
Personal services	7,274	4,952	4,952	-	4,877
TOTAL PUBLIC SAFETY	<u>1,389,278</u>	<u>1,343,772</u>	<u>1,343,707</u>	<u>65</u>	<u>1,335,741</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, 2024
With Comparative Actual Amounts for Year Ended December 31, 2023

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
EXPENDITURES - Continued					
CURRENT - Continued					
STREET AND HIGHWAYS					
Street maintenance					
Personal services	\$ 203,547	\$ 206,580	\$ 206,580	\$ -	\$ 194,422
Supplies	248,450	105,032	105,032	-	83,312
Other services	45,000	40,046	40,046	-	36,492
Other charges	75,623	72,629	72,629	-	72,625
Total Street Maintenance	<u>572,620</u>	<u>424,287</u>	<u>424,287</u>	<u>-</u>	<u>386,851</u>
Snow and ice removal					
Personal services	34,953	36,136	36,136	-	33,561
Supplies	30,500	35,861	35,861	-	25,645
Other services	36,750	10,948	10,948	-	22,318
Total Snow and Ice Removal	<u>102,203</u>	<u>82,945</u>	<u>82,945</u>	<u>-</u>	<u>81,524</u>
TOTAL STREETS AND HIGHWAYS	<u>674,823</u>	<u>507,232</u>	<u>507,232</u>	<u>-</u>	<u>468,375</u>
ECONOMIC CHARGES					
Other charges	<u>66,030</u>	<u>65,350</u>	<u>65,349</u>	<u>1</u>	<u>50,810</u>
MISCELLANEOUS					
Other charges	<u>17,800</u>	<u>17,800</u>	<u>17,800</u>	<u>-</u>	<u>42,710</u>
TOTAL CURRENT	<u>2,935,387</u>	<u>2,715,098</u>	<u>2,715,024</u>	<u>74</u>	<u>2,677,869</u>
CAPITAL OUTLAY					
General government		458,780	458,780	-	7,431
Public safety	7,000	153,054	153,054	-	45,355
Streets and highways	255,000	318,737	318,736	1	142,650
TOTAL CAPITAL OUTLAY	<u>262,000</u>	<u>930,571</u>	<u>930,570</u>	<u>1</u>	<u>195,436</u>
DEBT SERVICE					
Interest and other charges	<u>62,686</u>	<u>62,686</u>	<u>19,656</u>	<u>43,030</u>	<u>20,500</u>
TOTAL EXPENDITURES	<u>3,260,073</u>	<u>3,708,355</u>	<u>3,665,250</u>	<u>43,105</u>	<u>2,893,805</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(254,000)</u>	<u>10,132</u>	<u>67,028</u>	<u>56,896</u>	<u>426,451</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	<u>362,000</u>	<u>362,000</u>	<u>367,701</u>	<u>5,701</u>	<u>230,959</u>
NET CHANGE IN FUND BALANCES	108,000	372,132	434,729	62,597	657,410
FUND BALANCES (DEFICITS), JANUARY 1	<u>1,778,793</u>	<u>1,778,793</u>	<u>1,778,793</u>	<u>-</u>	<u>1,121,383</u>
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 1,886,793</u>	<u>\$ 2,150,925</u>	<u>\$ 2,213,522</u>	<u>\$ 62,597</u>	<u>\$ 1,778,793</u>

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

	DECEMBER 31,	
	2024	2023
<u>ASSETS</u>		
Cash and cash equivalents	\$ 168,030	\$ 123,076
Notes/leases	35,524	53,538
TOTAL ASSETS	\$ 203,554	\$ 176,614
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
LIABILITIES	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES	35,524	53,538
FUND BALANCES		
Restricted	168,030	123,076
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 203,554	\$ 176,614
Total fund balances - governmental activities	\$ 168,030	\$ 123,076
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.	227,646	225,278
Long-term assets are not available to pay current period expenditures and, therefore, are deferred in the fund.		
Notes/leases	35,524	53,538
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$ 431,200	\$ 401,892

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,	
	2024	2023
REVENUE		
Investment earnings	\$ 379	\$ 641
Miscellaneous		
Contributions and donations	22,500	-
Loan repayments	18,015	15,252
Rent	43,413	44,216
Other	2,260	3,880
TOTAL REVENUE	86,567	63,989
EXPENDITURES		
Current		
Personal services	1,070	1,150
Repair and maintenance	7,075	6,663
Utilities	7,546	10,333
Insurance	4,991	2,622
Capital outlay	12,799	16,160
Property taxes	8,132	8,658
Other services and charges	-	3,272
TOTAL EXPENDITURES	41,613	48,858
NET CHANGE IN FUND BALANCES	44,954	15,131
FUND BALANCES (DEFICITS), JANUARY 1	123,076	107,945
FUND BALANCES (DEFICITS), DECEMBER 31	\$ 168,030	\$ 123,076
 Net change in fund balances - governmental funds	 \$ 44,954	 \$ 15,131
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	12,799	16,160
Depreciation and amortization expense	(10,431)	(8,704)
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 payments received	(18,014)	(15,526)
CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES	\$ 29,308	\$ 7,061

CITY OF PLAINVIEW, MINNESOTA
SUMMARY FINANCIAL REPORT
REVENUE AND EXPENDITURES FOR GENERAL OPERATIONS
GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024 Totals	2023 Totals	Percent Increase (Decrease)
REVENUE			
Taxes	\$ 2,818,991	\$ 2,648,871	6.42
Licenses and permits	34,653	45,803	(24.34)
Intergovernmental	1,344,271	1,233,561	8.97
Charges for services	282,962	273,955	3.29
Fines and forfeits	14,951	18,099	(17.39)
Investment earnings	256,288	255,374	0.36
Miscellaneous	767,476	433,006	77.24
TOTAL REVENUE	<u>\$ 5,519,592</u>	<u>\$ 4,908,669</u>	<u>12.45</u>
 Per Capita Population: 3,483 per 2020 census	 1,585	 1,409	 12.45
EXPENDITURES			
Current			
General government	\$ 780,936	\$ 780,233	0.09
Public safety	1,447,517	1,439,209	0.58
Streets and highways	516,107	519,991	(0.75)
Culture and recreation	728,760	637,787	14.26
Economic development	103,469	76,560	35.15
Cemetery	45,190	36,656	23.28
Miscellaneous	17,800	42,710	(58.32)
Capital Outlay			
General government	458,780	7,431	6073.87
Public safety	162,921	59,745	172.69
Streets and highways	1,595,933	3,392,455	(52.96)
Culture and recreation	36,072	19,252	87.37
Debt Services			
Principal	560,000	381,000	46.98
Interest and other charges	228,677	111,771	104.59
TOTAL EXPENDITURES	<u>\$ 6,682,162</u>	<u>\$ 7,504,800</u>	<u>(10.96)</u>
 Per Capita	 1,919	 2,155	 (10.96)
 Total Long-Term Indebtedness	 6,319,000	 6,879,000	 (8.14)
Per Capita	1,814	1,975	(8.14)
 General Fund Balance - December 31	 2,213,522	 1,778,793	 24.44
Per Capita	636	322	97.37

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, 2024, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2025.

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'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 12, 2025



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 the City of Plainview (the "City") as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City'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.

2024-001 - 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 2023-001.

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.

2024-002 - 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 2023-003

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 12, 2025