

**City of Wabasso
Regular Meeting
Monday, July 12, 2021
6:00 pm**

REGULAR MEETING

1. Call to order
2. Approve Agenda
3. EDA Update
 - a. EDA Minutes - July 7, 2021
 - b. Loan and Checking Balance Report
4. **Public Comment** *Please limit comments to 3 minutes per person. Items brought before the council will be referred for consideration or action as needed. Council may ask questions for clarification, but no council action or discussion will be held at this time.*
5. Clerk-Treas. / Administrator
 - a. 2020 Financial Report
 - b. Uncollectable Accounts - NSF's - Ambulance
 - c. Combine all Checking/Savings Accounts and Retire Inactive Accounts
 - d. Begin Utility Late Fees and Penalties
 - e. Part Time Clerk - Hiring Process
6. Street Report
 - a. LRIP Grant - Cedar Street update - David Palm
 - b. Resolution approving budget adjustment and purchasing snowplow
7. Water/Wastewater Report
 - a. RD grant/project status
8. Approve Consent Agenda
9. Unfinished Business
 - a. Animal Control Ordinance - Matt Novak
10. New Business
 - a. COVID Relief Aid
11. Correspondence
 - a. Sheriff's reports
 - b. Library Minutes - June 8, 2021
12. Approve Bills
13. Adjourn

CONSENT AGENDA

1. Approve Minutes - 6/14/21
2. Building Permit -
 - a. Joseph Jenniges - 379 June St. - Dog Kennel Fence
 - b. Brian Baune - 2027 Perry St. - Concrete Pad
3. Resolution - clarifying sewer and water rates
4. Lion's Liquor License

All items on this agenda will be approved with one motion unless a council member asks to have an item removed for discussion.

**City of Wabasso
Regular Meeting
Monday, July 12, 2021
Agenda Report**

1. EDA Info Enclosed – Minutes, RLF Accounts and Account Balances
2. Rebecca Towne with Kinner and Company will present the 2020 Financial Report. I just received the report and have not had a chance to review it at this time.
3. The city council has written off ambulance service accounts that are more than five years past due in the past. It is recommended that the City Council adopt the attached policy rather than approving each year.
4. The city currently has several separate checking accounts and savings accounts for various funds and activities. Active checking accounts are: General (combines general fund, water, sewer, sanitation, cemetery and all debts service); Library; Ambulance; Fire; EDA and EDA Dewey Street Rental Units. The city also maintains a number of savings accounts in various banks. In addition, the city also maintains a number of savings accounts that have not had any activity for a number of years. The city accounting firm has recommended that City combine the accounts where legally permissible. Since the city operates under a fund accounting system, all funds are kept within the system. The main difference is that Library, Ambulance, Fire, EDA and EDA Dewey Street must each write separate checks and receipts must be deposited into separate accounts. The only way errors can be corrected is to physically write a check from one account and deposit it into the correct account rather than just making a transfer in the accounting system. In addition, each check book needs to be reconciled on a monthly basis. This topic was brought up during the audit and was highlighted when I discovered I can only do payroll direct deposits from one account. I have approached the Library Board to combine the accounts and they tabled the matter indefinitely. This means that if the city decides to go to direct deposits only the employees paid through general checking will enjoy the direct deposit. I am requesting the Council authorize me to fully research this matter and prepare a resolution for Council consideration. I have discussed with the EDA, the Ambulance Director and Fire Chief. While it would be nice to get down to one checking account, that may not be possible or practical as the EDA and Library bills each require action by the respective boards for approval. I am looking for direction from the Council if this is a correct course of action and any input you may have.
5. It was my understanding that the City Council waived utility late fees due to the COVID pandemic. This is consistent with guidance from the state and other public utilities. Now that the pandemic has eased somewhat, I would recommend that the Council reinstate the late fee penalties. I have researched city records for guidance. While there was discussion, I couldn't find any specific action. I would recommend that the Council adopt the attached resolution which acknowledges the waiving of late fees, and reinstates the penalty beginning with the September billing.
6. Julie Rothmeier has indicated that she plans to retire when the city finds a replacement for her. I would recommend the city authorize advertisement for the position. I will also post notice on the website and Facebook. I would recommend that the council authorize me to interview the candidates and recommend Julie's replacement to the Council for consideration. I have no concern if the City Council wished to take part in the interviews. I hope to have the person hired by early September.
7. David Palm will be present to give an overview of the project
8. Dump Truck – See attached resolution and background information
9. RD Grant/Sewer Rehabilitation Project – David Palm will give a brief update regarding the project.
10. Animal Control Ordinance – Attached
11. COVID Relief Aid. Not much has changed since the last meeting other than the state has published guidelines and the city can now apply for the funds. I have not submitted the application but plan to do so this week. I have not

received any feedback from the Council regarding uses. I would recommend the Council set up a workshop to discuss or carve out specific time at the next meeting to discuss uses.

12. Sheriff's Report – Attached
13. Library minutes attached.
14. July claims and June checks attached.
15. City Council minutes attached.
16. Building Permits – I have not received Joseph Jenniges application at this time. Brian Baune submitted this application for approval prior to the last meeting but the item did not get placed on the agenda due to my error.
17. Adopt resolution clarifying sewer and water rates. The city council adopted a resolution setting various city charges and fees for 2021, including sewer and water rates. The city council voted to increase the sewer rates 10%. I made the change to the rates in the billing software, but upon review of the ordinance I noticed that the resolution actually indicated water rates were to be increased 10%. This resolution will correct the error.
18. Lion's Liquor License. The City Council approved the Lion's Club On Sale Liquor License to replace the beer license. The state liquor license inspector indicated that the Club On-Sale is incorrect, and the City needs to issue an On Sale License. Matt Novak believes the inspector is wrong with the legal interpretation and originally had a discussion with the Liquor Control Division staff to clarify prior to the city issuing the Club On Sale License. He has been trying to get in touch with the Liquor Control Division to get a written opinion. He has been unsuccessful so far. Regardless, we should have something in writing prior to the meeting. If the Liquor Control Division rules that the Lions Club needs a regular On Sale License, the City has the authority to issue. If the Lion's Club has the authority to operate under the Club On Sale, this issue is moot, and the Council does not need to take action. I just want to make sure the city gets it right.

Wabasso EDA
Regular Meeting
Wednesday, July 7, 2021
5:00 pm

The meeting was called to order at 5pm with Board Member Pat Eichten, Jeff Olson, Chuck Robasse and Karl Guetter in attendance. Member Steve Burns was absent. Also present were EDA Director Larry Thompson and Pat Dingels.

The minutes of the June 2, 2021 Regular meeting were approved on a motion by Olson, second by Robasse.

Eichten – Yes; Olson – Yes; Robasse - yes; Guetter – yes.

The HRA discussed the duplex construction. Mr. Thompson announced that Jorge Lopez had resigned from APX Construction and formed his own development company. Member Olson presented a revised plan and costs prepared by Redwood Design. Mr. Olson indicated that Redwood Design had advised to wait until spring to see if costs might come down. It was estimated that the total cost of the project would be over \$600,000 if the cost estimates provided by Redwood Design were used. The board had a lengthy discussion relating to design, possible cost savings options and timing. The board had set a top project limit of \$500,000, but that may have to be revised. Mr. Thompson was directed to contact the fiscal consultant or bond counsel to see how long the board could wait to start construction after the bonds were sold, and to contact Bolton and Menk or other consultants regarding bidding requirements. Mr. Olson will see if Redwood Design will prepare construction drawings.

Strategic Plan update. Two meetings have been held and the group has identified members of to serve as a focus group. Focus group meeting to be held on July 27, 2021.

Update Lease Policy. The board reviewed the proposed lease agreement, maintenance agreement and housekeeping standards. Motion by Olson, second by Guetter, to adopt the lease agreement and maintenance agreement and housekeeping addendums with the following changes:

1. Change the security deposit from \$700 to "one month's rent."
2. Increase the smoking occurrence to \$1,000.00

Said lease shall go into effect October 1, 2021.

Eichten – Yes; Olson – Yes; Robasse - yes; Guetter – yes.

Motion by Robasse, second by Robasse to amend the 2021 operating budget as proposed (RLF Budget reformat.)

Eichten – Yes; Olson – Yes; Robasse - yes; Guetter – yes.

It was the consensus of the board not to apply for a state redevelopment grant due to the limited amount of funds available and the highly competitive nature of the grant.

Mr. Thompson reported on a plan to combine city checking/savings account in accordance with legal requirements. Mr. Thompson and the board noted that the EDA and Library checking accounts may need to be kept separate since each account is controlled by respective boards.

Mr. Thompson and Mr. Eichten gave an update on improvements being made to the 5-plex. Mr. Eichten noted that he had authorized the purchase of an refrigerator for one of the units.

Motion by Olson, second by Robasse, to accept the Treasurer's Report.

Eichten – Yes; Olson – Yes; Robasse - yes; Guetter – yes.

Motion by Robasse, second by Guetter to approve the bills as submitted.

Eichten – Yes; Olson – Yes; Robasse - yes; Guetter – yes.

The meeting was adjourned at 6:30 p.m.

EDA Monthly Payment Schedule
as of 6/30/2021

<u>Name</u>	<u>Pmt Due</u>	<u>Pmt Amt</u>	<u>Int</u>	<u>Prin Amt</u>		<u>Maturity Date</u>	<u>Date of Last Payment</u>	<u>Next Payment Due</u>
Bart Properties Llc	14th	\$ 482.80	3%	\$ 24,360.02	EDA II	7/14/2025	6/3/2021	7/14/2021
DEEM, Inc	21st	\$ 482.80	3%	\$ 24,878.91	EDA	5/21/2025	6/7/2021	7/21/2021
DEEM, Inc	21st	\$ 357.27	3%	\$ 18,067.97	EDA	5/21/2025	6/7/2021	7/21/2021
Jonti-Craft	25th	\$ 3,886.28	2.5%	\$ 187,848.31	EDA	9/25/2025	6/10/2021	7/25/2021
Jonti-Craft	25th	\$ 120.19	2.5%	\$ 5,917.90	EDA II	9/25/2025	6/10/2021	7/25/2021
Jenniges Gas & Diesel	8th	\$ 500.00	1%	\$ 12,890.00	EDA	12/8/2023	6/1/2021	7/8/2021
Jenniges Gas & Diesel	14th	\$ 300.00	3%	\$ 16,538.07	EDA	12/11/2026	6/1/2021	7/14/2021
Wabasso Eletric Motor LLC	6th	\$ 251.00	3%	\$ 11,171.87	EDAI	8/6/2024	6/3/2021	7/6/2021
Matt Novak	1st	\$ 362.10	3%	\$ 19,241.40	EDA II	8/4/2026	6/1/2021	7/1/2021
Chad Ruprecht	21st	\$ 400.00	3%	\$ 18,096.51	EDA II	5/21/2028	6/4/2021	7/21/2021
Safe Storage 2	5th	\$ 482.80	3%	\$ 38,337.14	EDA	10/5/2028	6/3/2021	7/5/2021
Mid County Ag Services	20th	\$ 242.00	3%	\$ 19,597.26	EDA I	11/20/2028	6/10/2021	7/20/2021
Totals		\$ 7,867.24		<u>\$ 396,945.36</u>				
EDAI Daily Savings		\$ 337,357.38		FROM MONTHLY BANK STATEMENTS				
EDAI Daily Savings		\$ 79,784.29		FROM MONTHLY BANK STATEMENTS				
EDA-WDC		\$ 39,815.86		FROM MONTHLY BANK STATEMENTS				
		\$ 456,957.53						

EDA General Fund

Beginning Balance	\$ 43,957.21
Plus Deposits Outstanding	
Interest Earnings	\$ 1.87
Checks Cleared	\$ 149.75
Less Outstanding Checks	\$ -
Ending Balance	<u>\$ 43,809.33</u>

CD # 115009 renewal 12-9-19	\$ 28,446.81
CD #33649	\$ 50,186.34
	<u>\$ 78,633.15</u>
CD Total	
EDA General Total	<u>\$ 122,442.48</u>

EDA Dewey Street

Beginning Balance	\$ 64,088.92
Plus Deposits Outstanding interest	
rents	\$ 2,100.00
Security Deposit	\$ -
interest	\$ 0.50
Less Checks /Outstanding	
Repairs and Maint	\$ 45.48
Property Taxes	\$ -
Loan Payment	\$ 2,000.00
	<u>\$ 64,143.94</u>

EDA Eastvail Sales Account	Starting Balance	\$ 33,580.87
	Interest on investments	\$ 8.05
		<u>\$ 33,588.92</u>

Dewey Street Townhomes Loan 5/29/2021 \$ 31,030.80 2.8 % interest



Kinner & Company Ltd

Certified Public Accountants

MANAGEMENT LETTER

To the Council and Mayor
of the City of Wabasso

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wabasso, Minnesota for the year ended December 31, 2020, we considered the City's internal control as a basis for designing auditing 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

However, during our audit we became aware of the following opportunity for strengthening internal controls and operating efficiency. The comments and suggestions are summarized below. This letter does not affect our report dated July 12, 2021, on the financial statements of the City of Wabasso, Minnesota.

COMMENTS AND SUGGESTIONS

- During the audit, it was noted that the Clerk/Administrator inconsistently assessed late payment penalties to utility bills not paid by the first of the subsequent month. No one is really sure if the Council approved to temporarily put a hold on assessing late payment penalties; however, it was not recorded in the minutes. We recommend the Administrator follow City policy.
- During the audit, it was noted that ambulance receivable was from runs dating back to 2004. It is our understanding the Council has since written off outstanding ambulance receivables from 2004 through December 31, 2014. We recommend that the Council continues to monitor the balance and determine if any uncollected accounts should be written off on an annual basis. We also recommend the City works with Expert T to get the amount of receivables written off removed from their records.
- During the audit, it was noted the TIF 1-3 payment to Jonti-Craft was not paid in January 2021 for TIF payments received in December 2020. We recommend paying Jonti-Craft \$4,119.17 plus interest as required. Per Minnesota Statute Section 471.425 subd. 2, city councils who meet at least once a month have the standard payment period of 35 days from receipt. Per Minnesota Statute Section 471.425 subd. 4, the city must pay interest on bills not paid in a timely manner. The interest rate is 1 ½ percent per month or part of a month. The minimum monthly interest on a bill of \$100 or more is \$10.

- During the audit, it was noted that EDA II had an outstanding balance of \$357 from Safe Storage. We recommend writing off the balance of this loan.
- Recommend increasing capitalization threshold from \$1,000 up to \$5,000 per GFAO guidelines.
- We recommend the City reviews the current due to and from schedules to repay or write off interfund balances.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the City Clerk, and we will be pleased to discuss them in further detail at your convenience.

Sincerely,

Kinner & Company Ltd.

Kinner & Company Ltd
July 12, 2021

**CITY OF WABASSO
WABASSO, MINNESOTA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2020**

City of Wabasso

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INTRODUCTORY SECTION

**CITY OF WABASSO
WABASSO, MINNESOTA
DECEMBER 31, 2020**

ELECTED AND APPOINTED OFFICIALS

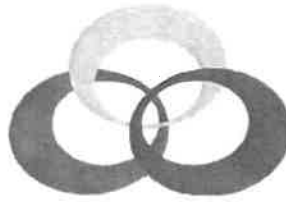
Elected Official

Carol Atkins	Mayor
Steve Burns	Council Member
Wade McKittrick	Council Member
Rachel Ingebretson	Council Member
Carole Remiger	Council Member

Appointed

Larry Thompson	City Clerk/Treasurer
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FINANCIAL SECTION



Kinner & Company Ltd

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Wabasso
Wabasso, Minnesota 56293

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wabasso, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, each major fund, and the aggregate remaining fund information of the City of Wabasso, Minnesota, as of December 31, 2020, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Ambulance and Ec Rec Grant I for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Visit our website at www.kinner.co

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, 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 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2021, on our consideration of the City of Wabasso, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wabasso, Minnesota's internal control over financial reporting and compliance.

Kinner & Company Ltd.

Kinner & Company Ltd
Certified Public Accountants

July 12, 2021

CITY OF WABASSO

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

This section of the City of Wabasso's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on December 31, 2020 to meet the required reporting by the Government Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments. State No. 34 is designed to make the annual reports easier for the public to understand and more useful to stakeholders.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,135,457 (net position). Of this amount, \$3,360,679 (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 \$202,837, compared to an increase of \$368,163 in the previous year. Of this increase, business-type activities (enterprise funds) had a decrease of \$26,405 and governmental activities had an increase of \$229,242. The major factor in the change in governmental activities was due to increased revenues mainly associated with CARES funds and property taxes. The major factor contributing to the decrease in business-type activities relates to depreciation and interest expense.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,364,419, an increase of \$148,886 in comparison with the prior year. Approximately 12 percent of this total amount, \$294,765, is available for spending at the City's discretion. The remainder of the fund balance is classified in accordance with GASB Statement No. 54 as follows: 1) nonspendable - \$363,309; 2) restricted - \$238,486; and 3) assigned - \$1,467,859.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

Our analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF WABASSO

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

These two statements report the City's net position and changes there in. You can think of the City's net position, the difference between assets and deferred outflows and liabilities and deferred inflows, as one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental Activities-** Most of the City's basic services are reported here, including the ambulance, fire, public works, economic development,, parks and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business-type Activities-** The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer and garbage are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

The fund financial statements begin on page 14 and provide detailed information about the most significant funds, and not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches.

- **Governmental Funds –** Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- **Proprietary Funds –** When the City charges customers for the services it provides these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.
- **Fiduciary funds –** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CITY OF WABASSO

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

THE CITY AS A WHOLE

The City's combined net position was \$6,135,457 on December 31, 2020 and the combined net position for December 31, 2019 was \$5,932,619, which is an increase of \$202,837, or 3% from the previous year. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Table 1

Net Position	Governmental Activities		Business-Type Activities		Total
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
Current and Other Assets	2,676,689	2,539,589	1,559,965	1,513,864	4,236,654
Capital Assets	<u>2,887,729</u>	<u>3,044,774</u>	<u>2,840,028</u>	<u>2,988,132</u>	<u>5,727,757</u>
Total Assets	<u>5,564,418</u>	<u>5,584,363</u>	<u>4,399,993</u>	<u>4,501,996</u>	<u>9,964,411</u>
Deferred Outflows of Resources	<u>14,597</u>	<u>17,306</u>	<u>3,650</u>	<u>4,326</u>	<u>18,247</u>
Long-term Liabilities Outstanding	1,123,951	1,353,509	1,956,858	2,032,016	3,080,809
Other Liabilities	<u>517,567</u>	<u>530,122</u>	<u>227,439</u>	<u>226,111</u>	<u>745,006</u>
Total Liabilities	<u>1,641,518</u>	<u>1,883,631</u>	<u>2,184,297</u>	<u>2,258,127</u>	<u>3,825,815</u>
Deferred Inflows of Resources	<u>17,108</u>	<u>26,891</u>	<u>4,278</u>	<u>6,722</u>	<u>21,386</u>
Net Position					
Net Investment in Capital Assets	1,690,263	1,633,127	846,029	920,134	2,536,292
Restricted	238,486	241,891	0	0	238,486
Unrestricted	<u>1,991,640</u>	<u>1,816,129</u>	<u>1,369,039</u>	<u>1,321,339</u>	<u>3,360,679</u>
Total Net Position	<u>3,920,389</u>	<u>3,691,147</u>	<u>2,215,068</u>	<u>2,241,473</u>	<u>6,135,457</u>

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.

CITY OF WABASSO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Table 2

Changes in Net Position	Governmental Activities		Business-type Activities		2020
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Total</u>
Revenues					
Program Revenues					
Charges for Services	236,578	251,684	377,972	368,336	614,550
Operating Grants and Contributions	72,782	0	0	0	72,782
General Revenues					
Property taxes	534,186	503,603	0	0	534,186
Special Assessments	754	1,194	14,027	16,131	14,781
Intergovernmental Revenue	287,896	284,770	0	30,132	287,896
Unrestricted Investment Earnings	17,041	22,275	862	994	17,903
Contributions	33,250	45,288	0	0	33,250
Miscellaneous	22,790	50,937	19,771	18,594	42,561
Total Revenues	<u>1,205,277</u>	<u>1,159,751</u>	<u>412,632</u>	<u>434,187</u>	<u>1,617,909</u>
Expenses					
General Administrative	289,340	214,364			289,340
Public Safety	280,289	234,089			280,289
Public Works	176,523	237,834			176,523
Culture and Recreation	152,876	155,144			152,876
Housing and Economic Development	40,041	34,302			40,041
Miscellaneous	35,785	36,278			35,785
Interest & Fiscal Charges on Long-Term Debt	49,368	54,892			49,368
Water			256,428	248,144	256,428
Sewer			124,912	121,030	124,912
Garbage			29,197	30,764	29,197
Total Expenses	<u>1,024,222</u>	<u>966,903</u>	<u>410,537</u>	<u>399,938</u>	<u>1,434,759</u>
Gain (Loss) on Sale of Capital Assets	18,603	106,219	0	0	18,603
Insurance Proceeds	1,084	23,847	0	11,000	1,084
Transfers	28,500	28,500	(28,500)	(28,500)	0
Increase (Decrease) in Net Position	229,242	351,414	(26,405)	16,749	202,837
Net Position, January 1	<u>3,691,147</u>	<u>3,339,733</u>	<u>2,241,473</u>	<u>2,224,724</u>	<u>5,932,620</u>
Net Position, December 31	<u>3,920,389</u>	<u>3,691,147</u>	<u>2,215,068</u>	<u>2,241,473</u>	<u>6,135,457</u>

CITY OF WABASSO

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Governmental Activities

Revenue for the City's governmental activities increased by 3.9 percent in 2020 and increased by 3.1 percent in 2019, while total expenses increased in 2020 by 5.9 percent and decreased in 2019 by 3.0 percent. The City received more money in 2020 for property taxes and CARES funding. Expenses increased due to small business grants from the CARES funds and write offs in the ambulance fund.

Table 3 presents the cost of each of the City's programs- general government, public safety, public works, culture and recreation, economic development, housing rehabilitation, and miscellaneous programs. Activities were generally comparable to the prior year as operations remained consistent with the prior year.

Table 3

Governmental Activities

	Total Cost of Services	
	<u>2020</u>	<u>2019</u>
General Administrative	289,340	214,364
Public Safety	280,289	234,089
Public Works	176,523	237,834
Culture & Recreation	152,876	155,144
Housing & Economic Development	40,041	34,302
Miscellaneous	35,785	36,278
Interest & Fiscal Charges on Long-Term Debt	<u>49,368</u>	<u>54,892</u>
Totals	<u>1,024,222</u>	<u>966,903</u>

Business-Type Activities

For the years ended December 31, 2020 and 2019 revenues of the City's business-type activities (see table 2) decreased by 5.0 percent and increased by 11.4 percent and the expenses increased by 2.7 percent in 2020 and decreased by 4.8 percent in 2019. The increase in expenditures occurred due to more wages allocated to the water and sewer funds in 2020.

THE CITY'S FUNDS

As the City completed the years 2020 and 2019, its governmental funds reported a combined fund balance of \$2,364,419 and \$2,215,535. The increase relates mainly to property taxes and charges for services in 2020.

The City maintains four major governmental funds: General, Ambulance, Economic Recovery Grant I, and 2016A Refunding Bonds.

The General Fund balance increased \$61,787 to \$754,988. The increase is due to property taxes and local government aid as well as monitoring repairs and maintenance expenses.

The Ambulance fund balance increased \$23,087 to \$196,378 largely due to a transfer from General Fund.

**CITY OF WABASSO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The Economic Recovery Grant I balance increased \$17 to \$604,806. The minimal increase is due to the interest income being transferred to EDA General.

The 2016A Refunding Bond balance increased \$6,386 to \$187,110. The increase is due proportionate increases in property taxes and increases in principal payments.

The combined fund balance of the nonmajor governmental funds increased \$57,609 to \$621,137 mainly due gain on sale of assets, transfers and property taxes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2020 and 2019, the City's investments in capital assets for its governmental and business-type activities were \$10,594,055 and \$10,523,626. The investment in capital assets includes land, buildings, system improvements, park facilities, machinery, and equipment. During 2020, the government activities purchased ball field fencing, pagers and building improvements including the training room, office remodel and community center roof. The business-type activities also had work in progress associated with a sewer project.

Table 4
Capital Assets at Year End

	Governmental Activities		Business-Type Activities	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	741,147	742,748	4,323	4,323
Work in Progress	0	0	68,288	45,096
Infrastructure	439,741	439,741	3,922,326	3,922,326
Buildings & Improvements	3,087,517	3,043,483	230,525	230,525
Machinery & Equipment	1,595,445	1,590,641	504,743	504,743
Totals	<u>5,863,850</u>	<u>5,816,613</u>	<u>4,730,205</u>	<u>4,707,013</u>

More detailed information about the City's capital assets is presented in Note 1 and Note 3.

**CITY OF WABASSO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Long-term Liabilities

As shown in Table 5, the City has \$3,191,466 in debt for 2020 versus \$3,479,647 in debt for 2019. This is a decrease of 8.3 percent.

Table 5

Debt at Year End

	Governmental Activities		Business-Type Activities		2020
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Total</u>
Capital Lease Payable - 2018	48,925	53,790			48,925
Capital Lease Payable - 2019	27,050	34,935	0	0	27,050
GO Tax Increment Refunding Bond of 2010A	260,000	300,000	0	0	260,000
GO Revenue Refunding Bonds of 2013A	255,000	295,000	0	0	255,000
Essential Function Housing Development Revenue Bond of 1998	42,491	64,922	0	0	42,491
GO improvement Refunding Bond 2016A	162,000	238,000	0	0	162,000
GO Tax Abatement Note, Series 2017A	402,000	425,000	0	0	402,000
GO Water Revenue Bonds 2010A	0	0	1,844,000	1,882,000	1,844,000
GO System Note, Series 2016A	0	0	150,000	186,000	150,000
Totals	<u>1,197,466</u>	<u>1,411,647</u>	<u>1,994,000</u>	<u>2,068,000</u>	<u>3,191,466</u>

General Fund Budgetary Highlights:

The City council did not amend the original budget during the current year. For the years ended December 31, 2020 and 2019, revenues were \$90,472 and \$72,458 higher than budget while expenditures were \$31,651 and \$110,457 higher than budget. Other financing sources (uses) were \$2,966 lower than budgeted.

The majority of the variance in revenues is due to an increase in property taxes, fire state aid, CARES funding and refunds and reimbursements.

The majority of the variance in expenditures is due to small business grants from the CARES funds and fire relief remittance.

**CITY OF WABASSO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates and fees that will be charged for the business-type activities. The Council expects operations to remain consistent with 2020. Overall budget amounts for 2021 are consistent with 2020's budget and operations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 City Clerk, City of Wabasso, P.O. Box 60, Wabasso, MN 56293.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB.
The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements:

Governmental Funds

Proprietary (Enterprise) Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**City of Wabasso
Statement of Net Position
December 31, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 1,926,164	\$ 1,132,784	\$ 3,058,948
Accounts Receivable	84,076	26,200	110,276
Inventory	—	200	200
Prepaid Expenses	3,107	--	3,107
Special Assessments Receivable	303	4,280	4,583
Taxes Receivable	16,361	--	16,361
Note Receivable-Due within one year	90,119	--	90,119
<i>Internal Balances*</i>	190,169	159,552	--
Total Current Assets	2,310,299	1,323,016	3,283,594
<i>Noncurrent Assets</i>			
Note Receivable-Due beyond one year	360,202	--	360,202
Special Assessments - Deferred	6,188	236,949	243,137
Non-Depreciable	741,147	72,611	813,758
Depreciable, Net	2,146,582	2,767,417	4,913,999
Total Assets	5,564,418	4,399,993	9,614,690
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Resources	14,597	3,650	18,247
Total Deferred Outflows of Resources	14,597	3,650	18,247
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	21,544	5,901	27,445
Accrued Payroll Deductions Payable	3,977	--	3,977
Accrued Interest Payable	15,625	56,315	71,940
Security Deposits	3,100	--	3,100
Notes Payable-Due within one year	213,823	75,000	288,823
<i>Internal Balances*</i>	259,498	90,223	--
Total Current Liabilities	517,567	227,439	395,285
<i>Noncurrent Liabilities</i>			
Compensated Absences Payable	1,215	3,082	4,297
Net Pension Liability	139,092	34,776	173,868
Notes Payable-Due beyond one year	983,644	1,919,000	2,902,644
Total Liabilities	1,641,518	2,184,297	3,476,094
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Resources	17,108	4,278	21,386
Total Deferred Inflows of Resources	17,108	4,278	21,386
NET POSITION			
Net Investment in Capital Assets	1,690,263	846,029	2,536,292
<i>Restricted for:</i>			
Debt Service	238,486	--	238,486
<i>Unrestricted</i>	1,991,640	1,369,039	3,360,679
Total Net Position	\$ 3,920,389	\$ 2,215,068	\$ 6,135,457

* Amounts have been eliminated in total column

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

City of Wabasso
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 289,340	\$ 9,768	\$ 52,211	\$ --	\$ (227,361)	\$ --	\$ (227,361)
Public Safety	280,289	167,755	15,196	--	(97,338)	--	(97,338)
Public Works	176,523	200	--	--	(176,323)	--	(176,323)
Culture and Recreation	152,876	20,280	--	--	(132,596)	--	(132,596)
Housing and Economic Development	40,041	38,575	--	--	(1,466)	--	(1,466)
Other	35,785	--	5,375	--	(30,410)	--	(30,410)
Interest and Other Charges on Debt	49,368	--	--	--	(49,368)	--	(49,368)
Total Governmental Activities	1,024,222	236,578	72,782	--	(714,862)	--	(714,862)
Business-type Activities:							
Garbage	29,197	34,912	--	--	--	5,715	5,715
Sewer	124,912	175,874	--	--	--	50,962	50,962
Water	256,428	167,186	--	--	--	(89,242)	(89,242)
Total Business-type Activities	410,537	377,972	--	--	--	(32,565)	(32,565)
Total Primary Government	\$ 1,434,759	\$ 614,550	\$ 72,782	\$ --	\$ (714,862)	\$ (32,565)	\$ (747,427)
General Purpose Revenues and Transfers:							
Revenues							
Contributions					33,250	--	33,250
Gain (Loss) on Sale of Capital Assets					18,603	--	18,603
Insurance Proceeds					1,084	--	1,084
Refunds and Reimbursements					1,063	--	1,063
Property Taxes					534,189	--	534,189
Licenses and Permits					75	--	75
Intergovernmental Revenues					287,896	--	287,896
Other Revenue					21,649	19,771	41,420
Interest Income					17,041	862	17,903
Special Assessments					754	14,027	14,781
Transfers					28,500	(28,500)	--
Total General Revenues and Transfers					944,104	6,160	950,264
Change in Net Position					229,242	(26,405)	202,837
Net Position at Beginning of Period					3,691,147	2,241,473	5,932,620
Net Position at End of Period					\$ 3,920,389	\$ 2,215,068	\$ 6,135,457

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

**City of Wabasso
Balance Sheet
Governmental Funds
December 31, 2020**

	Special Revenue		Debt Service		
	General	Ambulance	Ec Rec Grant I	2016A Refunding Bonds	Other Governmental Funds
					Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 595,200	\$ 117,709	\$ 252,795	\$ 315,991	\$ 1,926,164
Accounts Receivable	497	83,579	--	--	84,076
Prepaid Expenses	3,107	--	--	--	3,107
Special Assessments Receivable	--	--	--	303	303
Taxes Receivable	11,881	--	--	2,920	16,361
Note Receivable-Due within one year	--	--	66,295	--	90,119
Current due from other funds	163,773	--	1,828	--	190,169
Note Receivable-Due beyond one year	--	--	288,184	--	360,202
Special Assessments - Deferred	--	--	--	6,188	6,188
Total Assets	774,458	201,288	609,102	325,402	2,676,689
DEFERRED OUTFLOWS OF RESOURCES					
Aggregated deferred outflows	--	--	--	--	--
Total Assets and Deferred Outflows of Resources	\$ 774,458	\$ 201,288	\$ 609,102	\$ 325,402	\$ 2,676,689
LIABILITIES					
Accounts Payable	\$ 9,146	\$ 892	\$ --	\$ --	\$ 21,544
Accrued Payroll Deductions Payable	338	2,107	--	--	3,977
Security Deposits	--	--	--	--	3,100
Current due to other funds	2,399	1,911	4,296	130,147	259,498
Total Liabilities	11,883	4,910	4,296	130,147	288,119
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue- Property Taxes	7,587	--	--	--	8,501
Unavailable Revenue- Special Assessments	--	--	--	8,145	8,145
Unavailable Revenue- Notes Receivable	--	--	--	--	7,505
Total Liabilities and Deferred Inflows of Resources	19,470	4,910	4,296	138,292	312,270
FUND BALANCE					
Nonspendable	3,107	--	288,184	--	363,309
Restricted	--	--	--	187,110	238,486
Assigned	450,000	196,378	316,622	--	1,467,859
Unassigned	301,881	--	--	--	294,765
Total Fund Balance	754,988	196,378	604,806	187,110	2,364,419
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 774,458	\$ 201,288	\$ 609,102	\$ 325,402	\$ 2,676,689

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

City of Wabasso
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total Fund Balance - Governmental Funds	\$ 2,364,419
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance.	(15,625)
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Position.	(1,215)
Tax revenue deferred in governmental fund statements if not received within sixty days	16,646
Capital assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.	2,887,729
Long- term debt reflected on Statement of Net Position not in governmental funds balance sheet.	(1,197,466)
Deferred revenue on development loans in governmental funds are susceptible to full accrual on the government-wide statements	7,505
Net pension liability is not due and payable in the current period from current financial resources, and therefore are not reported in the funds.	(139,092)
Pension related deferred inflows are not due and payable in the current period from current financial resources, and therefore are not reported in funds.	(17,108)
Pension related deferred outflows are not available to pay for current period expenditures and therefore are deferred in the funds.	14,597
Total Net Position-Governmental Funds	\$ <u>3,920,389</u>

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue			Debt Service	Other Governmental Funds	Total Governmental Funds
	General	Ambulance	Ec Rec Grant I	2016A Refunding Bonds		
Revenues						
Property Taxes	\$ 327,217	\$ --	\$ --	\$ 79,369	\$ 123,425	\$ 530,011
Licenses and Permits	2,205	--	--	--	--	2,205
Intergovernmental Revenues	305,030	15,196	--	--	40,452	360,678
Fines and Forfeits	115	--	--	--	--	115
Refunds and Reimbursements	--	1,063	--	--	--	1,063
Charges for Services	7,498	144,898	--	--	81,787	234,183
Contributions	5,000	16,715	--	--	11,535	33,250
Special Assessments	--	--	--	6,930	--	6,930
Other Revenue	18,865	--	2,077	--	857	21,799
Interest Income	3,145	254	9,458	202	3,982	17,041
Total Revenues	669,075	178,126	11,535	86,501	262,038	1,207,275
Expenditures						
General Government	262,435	--	--	--	--	262,435
Public Safety	35,229	165,832	--	--	32,478	233,539
Public Works	126,851	--	--	--	--	126,851
Culture and Recreation	22,109	--	--	--	100,124	122,233
Housing and Economic Development	--	--	--	--	23,834	23,834
Other	23,590	--	--	115	1,086	24,791
Principal Payments	12,750	--	--	76,000	125,431	214,181
Interest and Other Charges on Debt	5,085	--	--	4,000	42,390	51,475
Capital Outlay	31,657	4,997	--	--	12,184	48,838
Total Expenditures	519,706	170,829	--	80,115	337,527	1,108,177
Excess of Revenues Over (Under) Expenditures	149,369	7,297	11,535	6,386	(75,489)	99,098
Other Financing Sources (Uses)						
Gain (Loss) on Sale of Capital Assets	--	--	--	--	20,204	20,204
Insurance Proceeds	--	281	--	--	803	1,084
Transfers from other funds	--	15,509	--	--	115,577	131,086
Transfers to other funds	(87,582)	--	(11,518)	--	(3,486)	(102,586)
Net Other Financing Sources (Uses)	(87,582)	15,790	(11,518)	--	133,098	49,788
Net Change in Fund Balance	61,787	23,087	17	6,386	57,609	148,886
Fund Balance at Beginning of Period	693,201	173,291	604,789	180,724	563,528	2,215,533
Fund Balance at End of Period	\$ 754,988	\$ 196,378	\$ 604,806	\$ 187,110	\$ 621,137	\$ 2,364,419

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

City of Wabasso
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 148,886
Capital assets expensed as capital outlay in governmental fund statements, capitalized as capital assets in Statement of Net Position.	48,838
Accrued leave is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued leave is not reported as an expenditure in the government funds.	13,595
Principal payments on long-term expensed in governmental fund statements, treated as reductions of outstanding debt in Entity wide statements.	214,181
Tax revenue earned but not collected within sixty days deferred in governmental fund statements, recognized as revenue in Statement of Activities.	(1,997)
Depreciation expense reflected in entity wide statements, not reflected in governmental fund statements.	(204,282)
Accrued interest expense included in Statement of Activities, expensed as paid in governmental fund statements.	2,108
The net effect of various transactions involving capital assets (i.e. Sales, trade-ins, and contributions) is to increase net position.	(1,601)
In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.	9,516
Changes in Net Position-Governmental Funds	\$ <u>229,242</u>

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

**City of Wabasso
Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Non-Major Garbage	Total Enterprise Funds
ASSETS				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 160,300	\$ 947,496	\$ 24,988	\$ 1,132,784
Accounts Receivable	3,570	21,671	959	26,200
Inventory	--	--	200	200
Special Assessments Receivable	441	3,839	--	4,280
Current due from other funds	--	159,451	101	159,552
Total Current Assets	164,311	1,132,457	26,248	1,323,016
<i>Noncurrent Assets</i>				
Special Assessments - Deferred	24,429	212,520	--	236,949
Non-Depreciable	72,611	--	--	72,611
Depreciable, Net	501,578	2,265,839	--	2,767,417
Total Assets	762,929	3,610,816	26,248	4,399,993
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Resources	1,825	1,825	--	3,650
Total Deferred Outflows of Resources	1,825	1,825	--	3,650
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	3,424	1,637	840	5,901
Accrued Interest Payable	6,563	49,752	--	56,315
Notes Payable-Due within one year	40,021	34,979	--	75,000
Current due to other funds	90,223	--	--	90,223
Total Current Liabilities	140,231	86,368	840	227,439
<i>Noncurrent Liabilities</i>				
Compensated Absences Payable	1,541	1,541	--	3,082
Net Pension Liability	17,388	17,388	--	34,776
Notes Payable-Due beyond one year	300,108	1,618,892	--	1,919,000
Total Liabilities	459,268	1,724,189	840	2,184,297
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Resources	2,139	2,139	--	4,278
Total Deferred Inflows of Resources	2,139	2,139	--	4,278
NET POSITION				
Net Investment in Capital Assets	234,061	611,968	--	846,029
<i>Unrestricted</i>	69,286	1,274,345	25,408	1,369,039
Total Net Position	\$ 303,347	\$ 1,886,313	\$ 25,408	\$ 2,215,068

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

City of Wabasso
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Non-Major Garbage	Total Enterprise Funds
Operating Revenues				
Charges for Services	\$ 175,874	\$ 167,186	\$ 35,012	\$ 378,072
Total Operating Revenues	175,874	167,186	35,012	378,072
Operating Expenses				
Salaries	25,524	27,617	--	53,141
Payroll Taxes and Benefits	2,782	3,075	--	5,857
Supplies and Chemicals	6,653	8,214	--	14,867
Contracted Services	12,480	275	26,315	39,070
Repairs and Maintenance	3,970	4,886	--	8,856
Utilities	25,822	11,606	--	37,428
Testing Fees	3,730	739	--	4,469
Gas and Oil	383	383	--	766
Miscellaneous	4,803	1,522	200	6,525
Depreciation	27,605	143,692	--	171,297
Sales Tax	--	1,323	2,682	4,005
Dues	1,450	534	--	1,984
Connection Fees	--	2,828	--	2,828
Total Operating Expenses	115,202	206,694	29,197	351,093
Operating Income (Loss)	60,672	(39,508)	5,815	26,979
Non-Operating Revenues (Expenses)				
Special Assessments	1,446	12,581	--	14,027
Other Revenue	1,277	18,394	--	19,671
Interest Income	157	705	--	862
Interest Expense	(9,315)	(49,734)	--	(59,049)
Debt Issuance Costs	(395)	--	--	(395)
Net Non-Operating Revenues (Expenses)	(6,830)	(18,054)	--	(24,884)
Income Before Contributions and Transfers	53,842	(57,562)	5,815	2,095
Transfers from other funds	--	--	--	--
Transfers to other funds	(28,500)	--	--	(28,500)
Change In Net Position	25,342	(57,562)	5,815	(26,405)
Net Position at Beginning of Period	278,005	1,943,875	19,593	2,241,473
Net Position at End of Period	\$ 303,347	\$ 1,886,313	\$ 25,408	\$ 2,215,068

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

City of Wabasso
Statement of Cash Flows
Proprietary Funds
For the year Ended December 31, 2020

	Business-type Activities- Enterprise Funds			
	Sewer	Water	Non-Major Garbage	Total Enterprise Funds
Cash Flows From Operating Activities:				
Net Cash Provided (Used) by Operating Activities				
Cash Received From Customers	\$ 175,559	\$ 165,757	\$ 35,012	\$ 376,328
Cash Paid to Employees	(26,487)	(28,580)	-	(55,067)
Cash Paid for Goods and Services	(59,118)	(34,542)	(31,958)	(125,618)
Net Cash Provided (Used) by Operating Activities	89,954	102,635	3,054	195,643
Cash Flows from Non-Capital Financing Activities:				
Cash Received from Special Assessments	3,669	31,910	-	35,579
Operating Transfers In (Out)	(28,500)	-	-	(28,500)
Net Cash from Non-Capital Financing Activities	(24,831)	31,910	-	7,079
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(23,192)	-	-	(23,192)
Principal Paid on Debt	(39,918)	(34,082)	-	(74,000)
Interest Paid on Debt	(9,619)	(50,621)	-	(60,240)
Net Cash Provided (Used) by Capital and Related Financing Activities	(73,123)	(84,703)	-	(157,827)
Cash Flows from Investing Activities:				
Interest Income	157	705	-	862
Net Cash Provided (Used) by Investing Activities	157	705	-	862
Net Increase (Decrease) in Cash and Cash Equivalents	(7,843)	50,547	3,054	45,758
Cash and Cash Equivalents - Beginning of Year	168,143	896,950	21,934	1,087,026
Cash and Cash Equivalents - End of Year	\$ 160,300	\$ 947,496	\$ 24,988	\$ 1,132,784
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 60,672	\$ (39,508)	\$ 5,815	\$ 26,979
Other Revenues	1,277	18,394	-	19,671
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	27,605	143,692	-	171,297
Change in Pension Related Deferrals and Liabilities	(1,188)	(1,188)	-	(2,376)
Changes in Assets and Liabilities:				
Accounts Receivable	(1,592)	(19,823)	(482)	(21,897)
Accounts Payable	2,955	843	(2,279)	1,519
Compensated Absences	225	225	-	450
Net Cash Provided (Used) by Operating Activities	\$ 89,954	\$ 102,635	\$ 3,054	\$ 195,643

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

City of Wabasso
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	<u>Private Purpose Trust</u>
	<u>Perpetual Care Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 45,561
<i>Total Assets</i>	<u>45,561</u>
DEFERRED OUTFLOWS OF RESOURCES	
Aggregated deferred outflows	--
<i>Total Deferred Outflows of Resources</i>	<u>--</u>
LIABILITIES	
<i>Total Liabilities</i>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES	
Aggregated deferred inflows	--
<i>Total Deferred Inflows of Resources</i>	<u>--</u>
NET POSITION	
Held in Trust	<u>\$ 45,561</u>

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

City of Wabasso
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Perpetual Care Fund
Additions	
Interest Income	\$ 609
<i>Total Additions</i>	<u>609</u>
Deductions	
<i>Total Deductions</i>	<u>--</u>
<i>Change in Net Position</i>	609
<i>Net Position at Beginning of Period</i>	<u>44,952</u>
<i>Net Position at End of Period</i>	<u>\$ 45,561</u>

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance
	Original	Final	Actual	Over (Under)
				Final to Actual
Revenues				
Local and County Revenue				
General Property Taxes	\$ 318,042	\$ 318,042	\$ 327,217	\$ 9,175
EDA Levy	5,000	5,000	--	(5,000)
Franchise Tax	1,100	1,100	912	(188)
Licenses and Permits	2,575	2,575	2,205	(370)
Intergovernmental Revenue				
Local Government Aid	231,278	231,278	231,624	346
CARES Funding	--	--	57,586	57,586
Market Value Assistance	--	--	426	426
Fire State Aid	7,500	7,500	15,394	7,894
PERA Increase Aid	588	588	--	(588)
Other Revenue				
Fines and Forfeits	--	--	115	115
Athletic Field Lease	--	--	2,211	2,211
Community Center Rent and Fees	5,000	5,000	5,287	287
Interest Income	1,000	1,000	3,145	2,145
Refunds and Reimbursements	5,000	5,000	17,285	12,285
Miscellaneous Revenue	1,520	1,520	5,668	4,148
Total Revenues	<u>578,603</u>	<u>578,603</u>	<u>669,075</u>	<u>90,472</u>
Other Financing Sources				
Total Revenues and Other				
Financing Sources	<u>578,603</u>	<u>578,603</u>	<u>669,075</u>	<u>90,472</u>

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund - Continued
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance
	Original	Final	Actual	Over (Under)
				Final to Actual
Expenditures				
General Government				
Mayor and Council				
Mayor and Council Salaries	8,650	8,650	7,500	1,150
Payroll Taxes	630	630	573	57
Dues	350	350	886	(536)
Miscellaneous	25	25	250	(225)
Financial Administration				
Clerk-Treasurer Salaries and Wages	58,700	58,700	67,373	(8,673)
Payroll Taxes	4,500	4,500	5,112	(612)
Employee Retirement	3,800	3,800	4,218	(418)
Dues	350	350	432	(82)
Telephone	2,800	2,800	2,179	621
Supplies and Materials	2,000	2,000	1,417	583
Postage	2,000	2,000	3,521	(1,521)
Printing and Publishing	--	--	1,321	(1,321)
Repairs and Maintenance	200	200	690	(490)
Employee Training	1,000	1,000	--	1,000
Equipment Rental	1,600	1,600	1,734	(134)
Miscellaneous	1,270	1,270	10,826	(9,556)
Capital Outlay	1,000	1,000	--	1,000
Printing and Publishing	5,500	5,500	2,288	3,212
Election and Voter Registration Wages	800	800	--	800
Miscellaneous	--	--	429	(429)
Assessor Fees	5,100	5,100	4,232	868
Professional Services	28,500	28,500	32,256	(3,756)
Municipal Building				
Salaries and Wages	10,000	10,000	9,032	968
Payroll Taxes	1,400	1,400	868	532
Electricity	9,000	9,000	6,370	2,630
Heating Gas	4,500	4,500	3,578	922
Supplies	2,000	2,000	102	1,898
Repairs and Maintenance	3,700	3,700	7,120	(3,420)
Insurance	1,700	1,700	2,161	(461)
Miscellaneous	300	300	1,723	(1,423)
Capital Outlay	10,000	10,000	11,272	(1,272)

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund - Continued
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance Over (Under) Final to Actual
	Original	Final	Actual	
Public Safety				
Police Protection				
Service Contract	34,000	34,000	34,320	(320)
Miscellaneous	--	--	909	(909)
Public Works				
Salaries and Wages	78,000	78,000	48,051	29,949
Payroll Taxes	5,800	5,800	4,381	1,419
Employee Retirement	5,900	5,900	3,872	2,028
Supplies	4,750	4,750	2,522	2,228
Gas and Oil	6,500	6,500	3,330	3,170
Uniforms	300	300	344	(44)
Repairs and Maintenance	13,000	13,000	6,431	6,569
Street Lighting	12,500	12,500	10,799	1,701
Gas for Shop	3,500	3,500	940	2,560
Miscellaneous	250	250	87	163
Telephone	300	300	425	(125)
Shop Electricity	2,200	2,200	1,770	430
Shop Supplies	1,500	1,500	639	861
Street Repairs	60,000	60,000	43,260	16,740
Capitalized Lease-Principal	--	--	12,750	(12,750)
Capitalized Lease-Interest	--	--	5,085	(5,085)
Capital Outlay	15,000	15,000	3,912	11,088
Culture and Recreation				
City Park				
Salaries and Wages	600	600	52	548
Supplies and Materials	125	125	55	70
Utilities	300	300	356	(56)
Repairs and Maintenance	500	500	215	285
Capital Outlay	500	500	--	500
Summer Recreation				
Salaries and Wages	3,500	3,500	2,214	1,286
Payroll Taxes	--	--	212	(212)
Miscellaneous	3,500	3,500	274	3,226

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund - Continued
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance
	Original	Final	Actual	Over (Under)
				Final to Actual
Athletic Field				
Salaries and Wages	3,500	3,500	4,792	(1,292)
Employee Retirement	--	--	159	(159)
Payroll Taxes	456	456	281	175
Supplies and Materials	1,000	1,000	696	304
Electricity	1,300	1,300	577	723
Repairs and Maintenance	3,000	3,000	6,370	(3,370)
Insurance	2,500	2,500	2,673	(173)
Capital Outlay	6,000	6,000	11,264	(5,264)
Baseball Field				
Supplies	500	500	183	317
Insurance	2,500	2,500	2,656	(156)
Service Contract	5,000	5,000	3,000	2,000
Capital Outlay	6,000	6,000	--	6,000
Other Expenditures				
Insurance	30,000	30,000	31,715	(1,715)
Fireman's Relief Association	1,500	1,500	15,399	(13,899)
Other Expenditures	899	899	5,535	(4,636)
CARES Funding				
Salaries	--	--	545	(545)
Payroll Taxes	--	--	79	(79)
Supplies	--	--	2,670	(2,670)
Miscellaneous	--	--	125	(125)
Small Business Grants	--	--	49,110	(49,110)
Capital Outlay	--	--	5,209	(5,209)
Total Expenditures	488,055	488,055	519,706	(31,651)
Other Financing Uses				
Transfers to other funds	90,548	90,548	87,582	2,966
Total Expenditures and Other Financing Uses	578,603	578,603	607,288	(28,685)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	--	--	61,787	61,787
Net Change in Fund Balance	--	--	61,787	61,787
Fund Balance at Beginning of Period	693,201	693,201	693,201	--
Fund Balance at End of Period	\$ 693,201	\$ 693,201	\$ 754,988	\$ 61,787

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Ambulance
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance Over (Under)
	Original	Final	Actual	Final to Actual
Revenues				
CARES Funding	\$ --	\$ --	\$ 15,196	\$ 15,196
Grant Revenue	--	--	586	586
Service Fees	65,000	65,000	136,262	71,262
Township Association Fees	8,000	8,000	7,750	(250)
Interest Income	150	150	254	104
Donations	20,000	20,000	16,715	(3,285)
Miscellaneous Income	--	--	1,363	1,363
Total Revenues	93,150	93,150	178,126	84,976
Other Financing Sources				
Insurance Proceeds	--	--	281	281
Transfers from other funds	--	--	15,509	15,509
Total Revenues and Other Financing Sources	93,150	93,150	193,916	100,766
Expenditures				
Salaries	53,000	53,000	63,150	(10,150)
Payroll Taxes	4,100	4,100	6,125	(2,025)
Gas and Oil	2,000	2,000	1,671	329
Service Contract	2,500	2,500	3,315	(815)
Repairs and Maintenance	2,000	2,000	929	1,071
Supplies	5,000	5,000	2,525	2,475
Capital Outlay	18,000	18,000	4,997	13,003
Insurance	2,600	2,600	3,871	(1,271)
Employee Training	6,000	6,000	4,115	1,885
Utilities	3,500	3,500	3,212	288
Miscellaneous	1,550	1,550	13,441	(11,891)
ALS Intercept	11,000	11,000	10,575	425
Uncollectible Accounts	--	--	52,903	(52,903)
Total Expenditures	111,250	111,250	170,829	(59,579)
Other Financing Uses				
Total Expenditures and Other Financing Uses	111,250	111,250	170,829	(59,579)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(18,100)	(18,100)	23,087	41,187
Net Change in Fund Balance	(18,100)	(18,100)	23,087	41,187
Fund Balance at Beginning of Period	173,291	173,291	173,291	--
Fund Balance at End of Period	\$ 155,191	\$ 155,191	\$ 196,378	\$ 41,187

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

City of Wabasso
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Ec Rec Grant I
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance Over (Under)
	Original	Final	Actual	Final to Actual
Revenues				
Interest on Loan Payments	\$ 10,234	\$ 10,234	\$ 8,989	\$ (1,245)
Other Revenues	--	--	2,077	2,077
Interest Income	1,200	1,200	469	(731)
Total Revenues	11,434	11,434	11,535	101
Other Financing Sources				
Total Revenues and Other Financing Sources	11,434	11,434	11,535	101
Expenditures				
Total Expenditures	--	--	--	--
Other Financing Uses				
Transfers to other funds	10,854	10,854	11,518	(664)
Total Expenditures and Other Financing Uses	10,854	10,854	11,518	(664)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	580	580	17	(563)
Net Change in Fund Balance	580	580	17	(563)
Fund Balance at Beginning of Period	604,789	604,789	604,789	--
Fund Balance at End of Period	\$ 605,369	\$ 605,369	\$ 604,806	\$ (563)

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

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has not chosen to do so.

The more significant accounting policies established by GAAP and used by the City are discussed below.

A. REPORTING ENTITY

The City of Wabasso, Minnesota (the City) was founded in 1900 and is a municipal corporation, incorporated under the laws of the State of Minnesota, and governed under a charter adopted. The City was formed and operates pursuant to applicable Minnesota laws and statutes. The City operates under an elected Mayor and four member council form of government. The council has control over all activities related to the City of Wabasso. The City provides the following services: sanitation, recreation, public improvements, planning and zoning, and general administrative services.

These financial statements present the City (the primary government) and its components unit, the Wabasso Economic Development Authority. The City follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* to define the reporting entity. The City includes all component units of which the City appointed a voting majority of the unit's board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component unit's funds are blended into those of the City's by appropriate activity to comprise the primary government presentation. The City's blended component unit consists of:

Wabasso Economic Development Authority – The City created an Economic Development Authority (EDA) by resolution of its governing board. The EDA is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, the EDA is reported as if it were part of the primary government because its purpose is to approve the City's redevelopment plans. The EDA cannot issue bonded debt without the City's approval.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit (Continued)

The activities of the EDA are reported as a major special revenue fund in the Governmental Fund Financial Statements.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

Related Organization

A related organization is excluded from the financial reporting entity. The City's accountability does not extend beyond the Mayor, Clerk-Treasurer and Fire Chief being ex officio members of the board. The related organization is as follows:

Wabasso Fire Relief Association – The Association is organized as a non-profit organization by its members to provide pension and other benefits to members in accordance with Minnesota statutes. The Association's Board of Directors consists of seven members elected by the membership of the Association and three ex officio members, the Mayor, Clerk-Treasurer and Fire Chief. All funding is obtained in accordance with Minnesota statutes whereby state aids and tax levies, which are determined by the Association, flow through the City to the Association. The Association pays benefits directly to its members.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and Statement of Activities) report information on all activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. They include all funds of the reporting entity except for fiduciary funds.

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

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues subject to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. 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.

The emphasis in fund financial statements is on major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column on the fund financial statements.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (Continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The City maintains ambulance, fire, cemetery, library, economic development, and small cities development (SCDG) special revenue funds.

Debt Service Funds - The Debt Service Fund is used to account for all financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Ad valorem taxes are used for the payment of principal and interest on the City's judgment.

Proprietary Funds:

Enterprise Funds – Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The City maintains water, sewer and garbage funds.

Fiduciary Funds:

Private Purpose Trust Fund – A Private Purpose Trust Fund is used to report trust arrangements, other than pension and investment trust, under which principal and income benefit individuals, private organizations, or other governments. The Perpetual Care Fund qualifies as a Fiduciary Fund, and is presented as such.

The City reports the following major governmental funds:

- General Fund – City's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.
- Ambulance Fund –accounts for the operations of the ambulance department.
- Economic Recovery Grant I – accounts for the activities of the City's economic development.
- 2016A Refunding Bonds – accounts for the activities of the City's debt service.

The City reports the following major proprietary funds:

- Water Fund -accounts for the operations of the City's water system.
- Sewer Fund -accounts for the operations of the City's sewer system.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (Continued)

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The City has elected not to follow subsequent private sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions, including special assessments. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCE

Deposits and Investments

The City recognizes cash currency on hand and demand deposits with banks or other financial institutions as cash. It also includes other accounts that have the general characteristics of demand deposits in that the customer may deposit or withdraw funds at any time without prior notice or penalty such as certificates of deposits, which do not have penalties or terms with them that effectively restrict withdrawal of funds, money market accounts and repurchase agreements.

The City recognizes as cash equivalents short-term, highly liquid investments that (a) are readily convertible to known amounts of cash and (b) are so near their maturity that they present an insignificant risk of changes in value because of changes in interest rates.

The City does not have any investments as of December 31, 2020.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION or FUND BALANCE (Continued)

Receivables and Payables

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

All trade (utility) and property tax receivables are shown at a gross amount, since both taxes and trade (utility) receivable are assessable to the property taxes and are collectible upon sale of the assessed property.

The City levies its property tax for the subsequent year during the month of October. Property taxes attach as an enforceable lien on property as of January 1. Revenues are accrued and recognized in the year collectible.

December 31 is the last day the City can certify a tax levy to the County Auditor for collection the following year. The County Auditor makes up the tax list for all taxable property in the City and applies the applicable tax rate to the tax capacity of individual properties to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City. Assessments receivable consist of the portion of improvements made by the City and charged against the properties affected.

These assessments are payable with interest over a period of years. The County Auditor remits a list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January each year. The County Treasurer mails copies of all real estate and personal property tax statements.

Receivables related to economic development and small cities development are recognized as earned and are further discussed in Note 3.C.

Real property taxes may be paid in two equal installments. The first payment is due on May 15 for both non-agricultural and agricultural property and the second payment is due on October 15 for non-agricultural property and November 15 for agricultural property. Personal property taxes may be paid on May 15 and October 15. The County is the collection agent for the levy. The County provides tax settlements to cities and other taxing districts three times a year in January, June, and December. Penalties and interest are assessed to property owners who do not pay their property taxes and special assessments by the due dates.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION or FUND BALANCE (Continued)

Portions of the tax levy paid by the state in the form of market value assistance are included in intergovernmental revenue. Only that portion collected directly from property owners is reflected in tax revenue. Delinquent property taxes are deferred and recognized when received or in the hands of the collection agency in the fund financial statements since they do not constitute "available spendable resources". In the government-wide financial statements, under the accrual basis of accounting, they are recognized as revenues since they are earned. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

Inventories

Inventory is valued at lower of cost or market using the first-in, first-out method. The City maintains garbage bags as inventory. The cost of other consumable materials and supplies on hand are immaterial to the financial statements and the City has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Restricted assets are deposits held for specifically required purposes and are offset by fund balance reserve accounts.

Capital Assets

Capital assets are defined by the City as assets with an initial individual cost of \$1,000 or more and an estimated life in excess of one year. Capital assets include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, drainage, and similar items), and intangible assets (i.e. internally generated computer software) are reported in the applicable governmental or business-type activities column of the government-wide financial statements.

Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION or FUND BALANCE (Continued)

GASB No. 34 required that the City report and depreciate new infrastructure assets effective fiscal year ending December 31, 2004. Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to December 31, 2003, were not required to be capitalized by the City. These infrastructure assets are likely to be the largest asset class of the City. Neither the historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required for cities of this size. The City has elected not to record infrastructure values retroactively as allowed by accounting principles generally accepted in the United States of America.

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund's measurement focus. General capital assets are assets of the City as a whole. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the governmental activities column of the government-wide statement of net position.

Capital assets of the enterprise funds are capitalized in the funds.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend lives are not capitalized.

In the government-wide financial statements and in the enterprise fund financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided using the straight-line method over the following estimated useful lives of the assets:

Land	Not Depreciated
Infrastructure	15-65 Years
Buildings	10-50 Years
Improvements	15-50 Years
Machinery and Equipment	3-20 Years

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION or FUND BALANCE (Continued)

Deferred Outflows/Inflows of Resources

The City of implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65 Items Previously Reported as Assets and Liabilities. 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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently recognizes deferred outflows relating to pensions for reporting in this category. The length of the expense recognition period for deferred amounts related is equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period.

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, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflows of resources (revenue) until that time. The items that qualify for reporting in this category are unearned property taxes, amounts related to pensions and unearned notes receivable. These amounts are deferred and recognized as inflows of resources in the period that the amount is earned. Deferred amounts relating to pensions represent differences between projected and actual earnings on pension plan investments and are recognized over a five-year period.

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 premium and discounts, as well as issuance costs, are recognized as an outflow of resources and expensed in the period they are incurred. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported separately and expensed in the period they are incurred.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION or FUND BALANCE (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize 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

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as accrued expenses in the government-wide financial statements and the proprietary fund types. In the governmental funds of the fund financial statements, vacation pay is recorded as an expenditure and accrued as a current liability only if they have matured, for example, as a result of employee's resignations and retirements.

The City provides permanent full-time employees one week paid vacation after the first year of employment, two weeks after the second year of employment, three weeks after the tenth year of employment and four weeks after the fifteenth year of employment. Sick leave is at the Council's discretion.

Fund Balance Classifications

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance** – Consists of amounts that cannot be spent because it is not in spendable form, such as inventory; or are legally or contractually required to be maintained intact.
- **Restricted fund balance** – Consists of amounts related to externally imposed constraints established by creditors, grantors or contributors, bondholders, laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** – Consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. To be reported as committed, amounts cannot be used for any other purpose unless the City Council removes or changes that specified use by taking the same type of action it employed to previously commit those amounts.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND NET POSITION or FUND BALANCE (Continued)

Fund Balance Classifications (Continued)

- Assigned fund balance – Consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority.
- Unassigned fund balance – Consists of amounts that are available for any purpose. Positive amounts are reported only in the general fund. It also reflects negative residual amounts in other funds.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City Council has formally adopted a fund balance policy for the General Fund. The City should maintain a minimum unassigned fund balance between the range of 35%-50% of budgeted operating expenditures for cash flow timing needs. At December 31, 2020, the unassigned fund balance of the General Fund was 49% of the subsequent year's budgeted expenditures.

Net Position Classifications

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net Position is displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- Restricted net position – Consists 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.
- Unrestricted net position – Net position that does not meet the definition of "restricted" or "net investment in capital assets".

E. USE OF ESTIMATES

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

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. BUDGETARY INFORMATION

Prior to September 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The City Council adopts the proposed budget as amended and adjusted by the Council and certifies the proposed property tax levy to the County Auditor according to Minnesota statutes.

On or before December 31, the final budget is legally enacted by Council resolution and the final property tax levy certified to the County Auditor.

The City has legally adopted budgets for the General fund and certain special revenue funds. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services, supplies, charges for services, and capital outlay) within each program. All amounts over budget have been approved by the City Council through the disbursement process. The City is not legally required to adopt an annual budget for the Capital Projects and Debt Service funds. Project length financial plans are adopted for the Capital Projects funds. Formal budgetary integration is not employed for Debt Service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

Budgets for the General and certain special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council. There were no amendments to the 2020 budget.

G. ENCUMBRANCES

The City does not utilize encumbrance accounting.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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. Pension expense related to GASB 68 is split 80% general and 10% to each water and sewer.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had excess expenditures over appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General	488,055	519,706	31,651
Ambulance	111,250	170,829	59,579

B. DEFICIT FUND BALANCES

The following funds had deficit fund balances as of December 31, 2020:

Small Cities Fund	1,263
TIF District No. 1-3	2,417
TIF District No. 1-5	3,436

C. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Minnesota Statutes §475.53, subd. 3 limits the amount of outstanding general obligation bonded debt of the municipality. The City complies with such laws.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. FUND BALANCE CLASSIFICATION

At December 31, 2020, a summary of the governmental fund balance classifications are as follows:

		<u>Special Revenue</u>		<u>Debt Service</u>		
	<u>General Fund</u>	<u>Ambulance</u>	<u>Ec Rec Grant I</u>	<u>2016A Refunding Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Prepaid Items	3,107				0	3,107
Notes Receivable			288,184		72,018	360,202
Restricted:						
Debt Service				187,110	51,376	238,486
Assigned To:						
Capital Improvements	450,000					450,000
Special Revenue		196,378	316,622		504,859	1,017,859
Unassigned	301,881				(7,116)	294,765
Total Fund Balances	<u>754,988</u>	<u>196,378</u>	<u>604,806</u>	<u>187,110</u>	<u>621,137</u>	<u>2,364,419</u>

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a pooled cash and investment portfolio that is used by substantially all City funds using the pooled deposit and investment concept. This concept provides the City with the ability to maximize earnings on idle monies while ensuring the liquidity needs of each fund are met and the integrity of the cash balances of each fund are preserved.

Investment income derived from the pooled funds is allocated to respective funds on the basis of applicable cash balance participation by each fund.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Deposits

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be insured, protected by surety bond or collateralized, and the market value of collateral pledged must equal 110% of the deposits not covered by insurance or surety bonds. Authorized collateral includes all treasury bills, notes, and bonds; issues of U.S. governmental agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank and certificates of deposit. Minnesota statutes also require that securities pledged as collateral be held in safekeeping in a restricted account at the 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 City does not have any deposit policies that would further limit deposit choices.

According to Minnesota Statutes, the aggregate of a municipality's time/savings accounts, NOW accounts, and time deposits (CD's) with the same depository are insured up to a total of \$250,000. The aggregate of a municipality's demand accounts, i.e., non-interest bearing and interest bearing checking accounts are insured up to a total of \$250,000 and are insured separately from the municipality's time/savings deposits. This separate \$250,000 coverage for checking accounts only applies if the depository is in the same state as the municipality.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Deposits in financial institutions, reported as components of cash and cash equivalents, had a bank balance of \$3,132,290 at December 31, 2020. The bank balance was fully insured by depository insurance or secured with collateral held by the City's agent in its name. The carrying amount of these deposits at December 31, 2020 was \$3,058,948.

Investment Policy

The City has an adopted investment policy, conforming to all applicable laws of the State of Minnesota, which serves as the guide to deposit and investment of operating funds which are managed within the City's pooled cash and investment portfolio. This policy sets for the City's investment objectives as well as authorized and suitable deposits and investments, and serves as a guide to proper diversification, maturity constraints, internal controls, and performance measurement. The foremost objective of the City's investment program as set forth by the investment policy is preservation of capital and protection of investment principal. Investment decisions are made under the assumption that except under limited circumstances, all investments within the pooled cash portfolio will be held to maturity.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Investment Policy (Continued)

Separate investment policies or agreements may exist to address proceeds from certain bond issues or debt service funds in accordance with arbitrage rebate requirements.

The City is authorized by Minnesota Statutes to invest idle funds as follows:

- a.) Direct obligations guaranteed by the United States or its agencies.
- b.) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- c.) General obligations of the State of Minnesota or its municipalities.
- d.) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- e.) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- f.) 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.
- g.) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.
- h.) Guaranteed investment contract (GIC's) issued or guaranteed by United States Commercial Banks or domestic branches of foreign banks or United State insurance company and with a credit quality in one of the top two highest categories.

The City does not have any investment policies that would further limit investment choices.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Under the City's investment policy the City is required to mitigate its exposure to interest rate risk as follows:

- Purchasing a combination of shorter and longer term investments.
- Timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needs for operation.
- Monitoring the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.
- Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.
- The average weighted maturity of the portfolio should not exceed three (3) years.
- Reserve funds may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with expected use of funds.

As of December 31, 2020, the City had no investments. The following table represents the City's cash balances as of December 31, 2020.

<u>Cash/Cash Equivalent Type:</u>	<u>Credit Rating</u>	<u>Average Maturities</u>	<u>Percent of Total</u>	<u>Fair Value</u>
Cash	N/A	N/A	84%	2,570,321
CDs	N/A	N/A	16%	488,627
Total Cash and Cash Equivalents			100%	3,058,948

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment policy of the City limits their investment options to those authorized by the State of Minnesota as described above.

Concentrations of Credit Risk

The concentration of credit risk is the risk of loss to the magnitude of the City's investments in a single issuer. The City places no limit on the amount that may be invested in any one issuer.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment of collateral securities that are in the possession of an outside party. As of December 31, 2020, all funds were properly insured pursuant to Minnesota Statutes.

B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consists of utilities receivable and special assessment receivable. No allowance for uncollectible accounts is deemed necessary at year end.

Accounts receivable of the governmental activities consists almost entirely of delinquent taxes, special assessments, and ambulance calls. Delinquent taxes have been offset by deferred inflows of resources for delinquent taxes not received within 60 days after year-end in the governmental fund financial statements. An allowance of 1/3 the balance of ambulance calls receivable has been established.

C. NOTES RECEIVABLE

The Economic Development Authority of Wabasso has established the Economic Development Fund to provide low interest loans to assist business with economic development. As payments are made to the City from the various businesses, the City can issues more loans to local businesses. The loans have been collateralized and call for monthly payments of principal and interest. Interest rates range from 2.50-3.00%. Payments terms range from \$50 to \$3,886 per month.

The Small Cities Development Fund was also established to provide low interest loans to assist homeowners and businesses with rehabilitation. Grants from the State of Minnesota were received to assist low-income homeowners. The grant funds were actually disbursed by an outside agency with the payments also being made to the outside agency. The City will use these funds for additional loans in the future. The loans have been collateralized and call for periodic payments of principal and interest. In the fund financial statements, under the modified accrual basis of accounting, the loans have been completely offset by deferred inflows of resources. Therefore, no revenues will be recognized until the payments are actually received. In the government-wide financial statements, under the accrual basis of accounting, revenues are earned and therefore, recognized. Currently, the City has one residential loan outstanding and delinquent. The interest rate on this loan is 3%. Payment terms are \$89.84 per month.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

C. NOTES RECEIVABLE (Continued)

The following is a summary of notes receivable transactions for the year ended December 31, 2020:

	Balance <u>12/31/2019</u>	Amount <u>Advanced</u>	Payments <u>Received</u>	Balance <u>12/31/2020</u>
Economic Recovery Grant	412,045	0	58,301	353,744
Economic Recovery Grant YE 94	100,949	0	13,124	87,825
Small Cities Grant	<u>7,505</u>	<u>0</u>	<u>0</u>	<u>7,505</u>
Totals	<u>520,499</u>	<u>0</u>	<u>71,425</u>	<u>449,075</u>

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020 is as follows:

Governmental Activities:	Balance 1-1-20	Additions	Deletions	Balance 12-31-20
Capital Assets Not Being Depreciated:				
Land	742,748	0	1,601	741,147
Total Capital Assets Not Being Depreciated	742,748	0	1,601	741,147
Capital Assets Being Depreciated:				
Infrastructure	439,741	0	0	439,741
Land Improvements	616,487	11,264		627,751
Buildings	2,426,996	32,770		2,459,766
Equipment	1,590,641	4,805		1,595,446
Total Capital Assets Being Depreciated	5,073,865	48,838	0	5,122,703
Less Accumulated Depreciation for:				
Infrastructure	20,543	10,994		31,537
Land Improvements	165,498	27,974		193,472
Buildings	1,654,366	64,770		1,719,136
Equipment	931,432	100,545		1,031,977
Total Accumulated Depreciation	2,771,839	204,282	0	2,976,121
Total Capital Assets Being Depreciated, Net	2,302,026	(155,444)	0	2,146,582
Governmental Capital Assets, Net	3,044,774	(155,444)	1,601	2,887,729

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS (Continued)

Business-Type Activities:	Balance 1-1-20	Additions	Deletions	Balance 12-31-20
Capital Assets Not Being Depreciated:				
Land	4,323	0	0	4,323
Work in Progress	45,096	23,192	0	68,288
Total Capital Assets Not Being Depreciated	49,419	23,192	0	72,611
Capital Assets Being Depreciated:				
Infrastructure	3,922,326		0	3,922,326
Buildings and Improvements	230,525		0	230,525
Equipment	504,743		0	504,743
Total Capital Assets Being Depreciated	4,657,594	0	0	4,657,594
Less Accumulated Depreciation				
Infrastructure	1,127,777	147,555	0	1,275,332
Building	201,555	1,689	0	203,243
Equipment	389,548	22,053	0	411,601
Total Accumulated Depreciation	1,718,880	171,297	0	1,890,177
Total Capital Assets Being Depreciated, Net	2,938,714	(171,297)	0	2,767,417
Business-Type Activity Capital Assets, Net	2,988,133	(148,105)	0	2,840,028

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

D. CAPITAL ASSETS (Continued)

Depreciation Expense was charged to functions/programs as follows as of December 31, 2020:

Governmental Activities:

General Government	905
Municipal Building	34,180
Public Safety-Fire and Police	24,816
Public Works	60,751
Health and Welfare-Ambulance	21,934
Library	8,346
Parks and Recreation	26,151
Economic Development Authority	16,207
Debt	10,994
Total	<u>204,282</u>

Business-Type Activities:

Water	143,692
Sewer	27,605
Garbage	-
Total	<u>171,297</u>

E. ACCOUNTS PAYABLE

Payables in the general, major governmental funds and enterprise funds are composed almost entirely of payables to vendors.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES

Description of Long-Term Debt

Long-term debt is comprised of the following as of December 31, 2020:

<u>Issue</u>	<u>Original Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Debt Outstanding</u>
Governmental Activities:				
GO Tax Increment Refunding Bonds of 2010A	555,000	2/1/26	1.25-3.75%	\$260,000
GO Revenue Refunding Bonds of 2013A	465,000	2/1/26	1.00-3.10%	255,000
GO Refunding Bonds of 2016A	452,000	2/1/22	2.00%	162,000
Essential Function Housing Development Revenue Bonds of 1998	290,131	8/1/22	2.81%	42,491
GO Tax Abatement Note, Series 2017A	425,000	2/1/34	3.30%	402,000
Capital Lease Payable - 2018	58,421	1/29/28	4.95%	48,925
Capital Lease Payable - 2019	44,080	7/20/23	6.65%	27,050
Total Governmental Activities				<u>1,197,466</u>
Business Type Activities:				
GO Water Revenue Bonds of 2010	2,145,000	1/1/50	3.00%	1,844,000
GO Sewer System Note, Series 2016A	254,000	2/1/24	2.25%	150,000
Total Business-Type Activities				<u>1,994,000</u>
Total Outstanding Long-term Debt				<u>\$3,191,466</u>

General Obligation Tax Increment Refunding Bond of 2010A

On November 1, 2010, the City issued the tax increment refunding bond payable in semi-annual installments. Payments include interest at 1.25-3.75% interest and is due February 1, 2026. The bonds are backed by the full faith, credit and taxing power of the City.

General Obligation Revenue Refunding Bonds of 2013A

This revenue refunding bond was issued on December 1, 2013 to provide for the acquisition and construction of major capital improvements. The bond has semi-annual installments. Each installment includes 1.00-3.10% interest and is due February 1, 2026. General obligation revenue bonds are direct obligations and pledge the full faith and credit, and taxing power of the City.

General Obligation Essential Function Housing Development Revenue Bond

This revenue bond was issued on August 5, 1998 and is payable in monthly payments of \$1,746. These payments include an interest rate of 2.44% and is due August 1, 2022. This bond is backed by the full faith, credit and taxing power of the City. Currently, the EDA is making payments of \$2,000 to pay the loan off earlier.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

General Obligation Water Revenue Bonds of 2010

This water revenue bond was issued on November 30, 2010 and is payable in annual installments. Each installment includes interest at a rate of 3.00% and is due January 1, 2050. This bond is recorded as liabilities in both the water and sewer funds with 89.69% allocated to water and 10.31% allocated to sewer. The bonds are payable from revenues derived from the operations of those utilities and are backed by the full faith, credit and taxing power of the City.

General Obligation System Note, Series 2016A

This sewer revenue bond was issued on November 1, 2016 and is payable in annual installments. Each installment includes interest at a rate of 2.25% and is due February 1, 2024. This bond is recorded as a liability in the sewer fund. The bond is payable from revenues derived from the operations of those utilities and are backed by the full faith, credit and taxing power of the City.

General Obligation Improvement Refunding Bond 2016A

This refunding bond was issued on January 12, 2016 and is payable in annual installments starting in 2017. This bond is used to refund the 2008A bond. These payments will be made out of the debt service fund and include an interest rate of 2% and is due February 01, 2022. Bond issuance costs were \$7,181. This bond is backed by the full faith credit and taxing power of the City. As a result of the refunding, the City realized from an interest rate reduction, a gross savings of \$30,753 and an economic gain (difference between the present values of the old and the new debt service payments) of \$21,862.

General Obligation Tax Abatement Note, Series 2017A

This note was issued June 26, 2017 and is payable in annual installments starting in 2020. These payments will be made out of the debt service fund and include an interest rate of 3.30% and is due February 1, 2034. This note is backed by the full faith, credit and taxing power of the City.

Capital Lease Payable

The City entered into a lease accounted for as a capital lease during 2018 to obtain lights for the baseball field. The capital lease is payable in annual payments which includes interest at a rate of 4.95%. The lease is due on January 29, 2028. Depreciation expense related to this asset for 2020 was \$3,236.

Capital Lease Payable

The City entered into a lease accounted for as a capital lease during 2019 to obtain a utility cab tractor and farm loader. The capital lease is payable in annual payments which includes interest at a rate of 6.65%. The lease is due on July 20, 2023. The capital asset associated with the lease is recorded in the government-wide financials. Depreciation expense related to this asset for 2019 was \$30,997.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Minimum Debt Payments

Minimum annual principal and interest payments to retire debt are as follows:

Capital Leases

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	13,558	4,277	17,835
2022	14,379	3,456	17,835
2023	15,209	2,586	17,795
2024	5,928	1,661	7,589
2025	6,229	1,361	7,589
2026-2029	<u>20,672</u>	<u>2,125</u>	<u>22,797</u>
Total	<u>75,975</u>	<u>15,465</u>	<u>91,440</u>

Governmental GO Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	177,265	18,759	196,024
2022	182,226	14,222	196,448
2023	80,000	10,800	90,800
2024	90,000	6,679	96,679
2025	90,000	4,966	94,966
2026	<u>100,000</u>	<u>1,713</u>	<u>101,713</u>
Total	<u>719,491</u>	<u>57,139</u>	<u>776,630</u>

Governmental Note

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	23,000	12,887	35,887
2022	24,000	12,111	36,111
2023	25,000	11,303	36,303
2024	25,000	10,478	35,478
2025	26,000	9,636	35,636
2026-2030	145,000	34,403	179,403
2031-2034	<u>134,000</u>	<u>9,009</u>	<u>143,009</u>
Total	<u>402,000</u>	<u>99,825</u>	<u>501,825</u>

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Business-Type GO Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	39,000	55,472	94,472
2022	40,000	54,150	94,150
2023	41,000	52,950	93,950
2024	42,000	51,720	93,720
2025	44,000	50,598	94,598
2026-2030	239,000	231,933	470,933
2031-2035	277,000	193,846	470,846
2036-2040	320,000	149,787	469,787
2041-2045	371,000	98,808	469,808
2046-2050	<u>431,000</u>	<u>39,555</u>	<u>470,555</u>
Total	<u>1,844,000</u>	<u>978,819</u>	<u>2,822,819</u>

Business-Type Notes

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	36,000	2,970	38,970
2022	37,000	2,149	39,149
2023	38,000	1,305	39,305
2024	<u>39,000</u>	<u>439</u>	<u>39,439</u>
Total	<u>150,000</u>	<u>6,863</u>	<u>156,863</u>

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

F. LONG-TERM LIABILITIES (Continued)

Changes in Long-Term Liabilities

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

	<u>12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Due in One Year</u>
Governmental Activities:					
GO Tax Increment Refunding Bonds of 2010A	300,000		40,000	260,000	40,000
GO Revenue Refunding Bonds of 2013A	295,000		40,000	255,000	35,000
GO Refunding Bonds of 2016A	238,000		76,000	162,000	79,000
GO Tax Abatement Note, Series 2017A	425,000		23,000	402,000	23,000
Essential Function Housing Development Revenue Bonds of 1998	64,922		22,431	42,491	23,265
Capital Lease Payable - 2018	53,790		4,865	48,925	5,112
Capital Lease Payable - 2019	34,935		7,885	27,050	8,446
Compensated Absences	14,700	9,716	23,201	1,215	
Total Governmental Activities	1,426,347	9,716	237,382	1,198,681	213,823
Business-Type Activities:					
GO Water Revenue Bonds of 2010	1,882,000		38,000	1,844,000	39,000
GO Sewer System Note, Series 2016A	186,000		36,000	150,000	36,000
Compensated Absences	2,632	3,083	2,632	3,083	
Total Business-Type Activities	2,070,632	3,083	76,632	1,997,083	75,000
Total Outstanding Long-term Debt	\$3,496,979	\$12,799	\$314,014	\$3,195,764	\$288,823

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

G. INTERFUND TRANSACTIONS

Interfund Transfers

Transfers between funds of the primary government for the year ended December 31, 2020 were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	
Sewer Fund	2013A Refunding	28,500	Debt Payment
General Fund	EDA General Fund	2,113	Taxes
Economic Recover II	EDA General Fund	3,486	Transfer Interest
Economic Recover I	EDA General Fund	11,518	Transfer Interest
General Fund	Ambulance Fund	15,509	Operating
General Fund	Library Fund	43,535	Operating
General Fund	Fire Fund	26,424	Operating/Contract
Total		<u>\$ 131,086</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds	\$ 131,086	\$ (102,586)
Enterprise Funds	-	(28,500)
Total Transfers	<u>\$ 131,086</u>	<u>\$ (131,086)</u>

Per GASB Statement No. 34, fiduciary interfund activity is included at the fund financial statement level and excluded and treated as external parties at the government wide level.

Reconciliation to Statement of Activities:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers/ Internal Activity</u>
Net Transfers for Governmental Activities			
Governmental Funds	\$ 131,086	\$ (102,586)	\$ 28,500
Net Transfers for Business-Type Activities	-	(28,500)	(28,500)

Interfund Balances

As of December 31, 2020, the following interfund balances were owed between funds and are expected to be paid back within one year or transfer balances to write amounts off:

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DETAIL NOTES ON ALL FUNDS (Continued)

G. INTERFUND TRANSACTIONS (Continued)

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Purpose</u>
Library Fund	General Fund	2,067	To cover operating
Fire Fund	Water Fund	45,000	Truck Loan
Economic Recovery Grant I	Economic Recovery Grant II	410	Deposit errors
Economic Recovery Grant II	Economic Recovery Grant I	1,028	Deposit errors
Ambulance	Water Fund	834	For expenses paid by wrong fund
Ambulance	General Fund	975	Deposit errors
Ambulance	Garbage Fund	101	For expenses paid by wrong fund
EDA General	General Fund	4,021	For expenses paid by wrong fund
EDA General	2017A Tax Abatement	15,542	Portion of May Street expansion
EDA 5-Plex	General Fund	25,469	To cover operating
2016A Refunding	General Fund	130,147	To cover operating
TIF 1-3	General Fund	1,093	To cover operating
TIF 1-5	Water Fund	23,394	To cover operating
Sewer Fund	Water Fund	90,223	To cover operating, principal & interest
EDA I	EDA General	3,886	Deposit errors
EDA General	EDA I	800	Deposit errors
EDA General	EDA II	400	Deposit errors
EDA General	EDA 5-Plex	1,931	Deposit errors
General	EDA General	2,399	Property Taxes
		<u>\$ 349,721</u>	

NOTE 4. DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

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

General Employees Retirement Plan

All full time and certain part time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

B. 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.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age of 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2020 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ended December 31, 2020, 2019, and 2018 were \$14,361, \$16,760, and \$16,732, respectively. The City's contributions were equal to the required contributions as set by the state statute.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

D. PENSION COSTS

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$173,868 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 to the fund in 2020. 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 association with the City totaled \$5,380. The net pension liability was measured as of June 30, 2019, 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 proportion 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, 2018, through June 30, 2019 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2020, the City's proportion was 0.0029%, which was a decrease of 0.0003% from the prior year.

City's proportionate share of the net pension liability	\$173,868
State of Minnesota's share of the net pension liability associated with the Entity	<u>5,380</u>
Total	\$179,248

For the year ended December 31, 2020, the City recognized pension expense of \$15,697 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional \$468 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.

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 1,745	\$ 658
Changes in Actuarial Assumptions	0	6,691
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,310	
Changes in Proportion	5,546	14,037
Employer Contributions Subsequent to the Measurement Date	8,646	
Totals	<u>\$ 18,247</u>	<u>\$ 21,386</u>

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

D. PENSION COSTS (Continued)

\$8,646 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30.</u>	<u>Pension Expense Amount</u>
2021	(\$13,534)
2022	(\$1,636)
2023	(\$814)
2024	\$4,201

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

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

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

E. ACTUARIAL ASSUMPTIONS (Continued)

Changes in Actuarial Assumptions (Continued):

- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

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

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4. DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

E. ACTUARIAL ASSUMPTIONS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5%	5.10%
Private Markets	25.0%	5.90%
Fixed Income	20.0%	0.75%
International Equity	17.5%	5.30%
Cash Equivalents	2.0%	0.00%

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the 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.

G. PENSION LIABILITY SENSITIVITY

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

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the General Employees Fund net pension liability:	\$278,651	\$173,868	\$87,431

H. 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.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5. PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

One City Manager of the City of Wabasso is covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

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 five percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$1,565	\$1,565	6.5%	6.5%	6.5%

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6. OTHER INFORMATION

A. 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. The City participates in the League of Minnesota Cities Intergovernmental Trust (LMCIT) to provide its general liability and property coverage. The LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for participating Minnesota cities. All cities in the LMCIT are jointly and severally liable for all claims and expenses of the pool. The amount of any liability in excess of assets of the pool may be assessed to participating cities if a deficiency occurs. The LMCIT is self-sustaining through member premiums and re-insures through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, but retains risk for the deductible portion of its insurance policies.

As of December 31, 2020, the City did not have any claims which were probable and measurable and therefore no liability was recorded in the financial statements presented. The City has not had any claims which exceeded its deductible during the past three years.

In March 2020, the World Health Organization (“WHO”) declared the coronavirus (COVID 19), a global pandemic and public health emergency. The WHO has recommended containment and mitigation measures worldwide and domestically, self-isolation and shelter-in-place requirements have been or are being put in place. At this point, the City cannot reasonably estimate the length or severity of this pandemic, or the extent to which this disruption may impact the City’s financial statements and future results of operations. The City will continue to monitor and evaluate the nature and extent of the impact on our ongoing activities and the potential effect on future contributions or funding and expenses, financial condition and liquidity.

B. COMMITMENTS AND CONTINGENCIES

Grant Program Involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning authority, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement, which may arise as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Litigation

The City is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

CITY OF WABASSO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6. OTHER INFORMATION (Continued)

B. COMMITMENTS AND CONTINGENCIES (Continued)

While the outcome of potential litigation cannot be predicted, due to the insurance coverage maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

C. FEDERAL AIDS – SINGLE AUDIT ACT

The City expended less than \$750,000 of federal financial assistance and is exempt from the audit requirements of the Single Audit Act and all other federal audit requirements.

D. NEW ACCOUNTING STANDARD

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended by subsequent ASUs (collectively, ASC 606) which amends the existing standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on expected consideration to be received in exchange for those goods and services. The Organization adopted ASU 2014-09 effective January 1, 2020 using the modified retrospective transition method. The adoption of ASU 2014-09 did not materially impact the timing and measurement of revenue recognition. As a result, the Organization did not recognize a cumulative effect adjustment to the opening balance of net assets.

NOTE 7. TAX INCREMENT FINANCING

Other - Tax Increment Financing District No. 1-3

Tax Increment Financing District No. 1-3, a redevelopment district, was established May 24, 1999 and amended February 14, 2000 pursuant to Minnesota Statute 469 to give the City authority to use tax increment financing as a funding source to reimburse property acquisition costs and public infrastructure improvements made by a developer. The City will pay eligible project costs via the pay-as-you-go method of reimbursing tax increments to the developer. In 2020, tax increments collected from the District were \$9,154.

Other – Tax Increment Financing District No. 1-5

Tax Increment District No. 1-5, a housing district, was established June 13, 2005 pursuant to Minnesota Statute 469.174, Subdivision 11, to give the City authority to promote the development of residential housing by reducing the cost of necessary public and private improvements. In 2020, tax increments collected from the District were \$62,859.

CITY OF WABASSO
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES GENERAL EMPLOYEES FUND

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share (Amount) of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability (a+b)	Employer's Covered-Employee Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll ((a+b)/(c))	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2020	0.0029%	\$173,868	\$5,380	\$179,248	\$210,237	85.26%	79.10%
June 30, 2019	0.0032%	\$176,921	\$5,500	\$182,421	\$227,056	80.34%	80.20%
June 30, 2018	0.0030%	\$166,428	\$5,462	\$171,890	\$203,343	84.53%	79.50%
June 30, 2017	0.0031%	\$197,902	\$2,491	\$200,393	\$199,794	100.30%	75.90%
June 30, 2016	0.0031%	\$251,705	\$3,350	\$255,055	\$193,816	131.60%	68.90%
June 30, 2015	0.0030%	\$155,477	\$0	\$155,477	\$173,439	89.64%	78.20%

Schedule is intended to show 10-year trend. Additional years will be reported as they become available.
For purposes of this schedule, covered payroll is defined as "pensionable wages".

CITY OF WABASSO
SCHEDULE OF CITY'S CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES FUND

<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution (a)</u>	<u>Contributions in Relation to the Statutorily Required Contribution (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered-Employee Payroll (d)</u>	<u>Contributions as a Percentage of Covered-Employee Payroll (b/d)</u>
December 31, 2020	\$14,361	\$14,361	-	\$191,475	7.50%
December 31, 2019	\$16,761	\$16,761	-	\$223,475	7.50%
December 31, 2018	\$16,849	\$16,849	-	\$224,660	7.50%
December 31, 2017	\$14,935	\$14,935	-	\$199,131	7.50%
December 31, 2016	\$14,656	\$14,656	-	\$195,410	7.50%
December 31, 2015	\$14,279	\$14,279	-	\$190,387	7.50%

Schedule is intended to show 10-year trend. Additional years will be reported as they become available. For purposes of this schedule, covered payroll is defined as "pensionable wages".

CITY OF WABASSO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1. DEFINED BENEFIT PENSION PLANS – STATEWIDE

General Employees Fund

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

2019 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- I. The employer supplemental contribution was changed prospectively, decreasing \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25 percent per year.

CITY OF WABASSO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1. DEFINED BENEFIT PENSION PLANS – STATEWIDE (Continued)

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

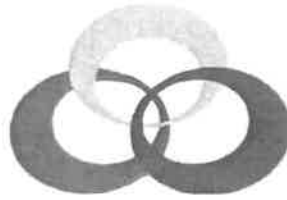
2015 Changes

Changes in Plan Provisions:

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.



Kinner & Company Ltd
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the Council
City of Wabasso
Wabasso, Minnesota 56293

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wabasso, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Wabasso, Minnesota's basic financial statements and have issued our report thereon dated July 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wabasso, Minnesota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wabasso, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wabasso, Minnesota's internal control.

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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Prior and Current Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Prior and Current Findings and Responses, as items 2020-001 and 2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Prior and Current Findings and Responses, as item 2020-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wabasso, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Wabasso, Minnesota's Response to Findings

City of Wabasso, Minnesota's response to the findings identified in our audit is described in the accompanying Schedule of Prior and Current Findings and Responses. City of Wabasso, Minnesota's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Minnesota Legal Compliance

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

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

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kinner & Company Ltd.

Kinner & Company Ltd
Certified Public Accountants

July 12, 2021

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CITY OF WABASSO
SCHEDULE OF PRIOR AND CURRENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I- Financial Statement Findings

STATUS OF PRIOR AUDIT RECOMMENDATIONS

2019-001: A material weakness was reported due to the lack of segregation of duties within the organization. The finding continues to exist and has been restated as Finding 2020-001.

2019-002: A material weakness was reported because the City was unable to provide accurate financial information. We proposed material adjustments. The finding continues to exist and has been restated as Finding 2020-002.

2019-003: A significant deficiency was reported because the City did not adopt a budget for a major special revenue fund. The finding has been resolved for 2020.

2019-004: A significant deficiency was reported because the City did not maintain sufficient collateral for deposits. The finding has been resolved for 2020.

2019-005: A significant deficiency was reported because the City did pay invoices in a timely manner. The finding has been resolved for 2020.

CITY OF WABASSO
SCHEDULE OF PRIOR AND CURRENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

CURRENT AUDIT FINDING(S) AND RECOMMENDATION(S)

2020-001: The City does not maintain an adequate segregation of duties among its accounting personnel.

Condition: A lack of segregation of duties over revenues and expenditures exists which could result in errors not being found in a timely manner.

Criteria: Internal controls can help the City of Wabasso achieve its performance targets and prevent loss of resources. It can help ensure reliable financial reporting and it can help ensure that the City complies with laws and regulations.

Cause: The City has a limited number of accounting personnel.

Effect: The City of Wabasso has a limited number of employees who prepare all records for revenue and expenditures. This is undesirable from an internal control viewpoint and could result in a loss of control over accounting transactions and errors not being found in a timely manner.

Recommendation: We recommend the City Council take a more active role in their oversight over revenue and expenditures.

Corrective Action Plan and Council Response:

The following segregation of duties are presently in place:

- The City Council reviews and approves all bills
- The City Council periodically reviews revenue and expenditure reports for amounts, classifications and comparison to budget.

Due to limited personnel, it is not practical to implement a complete segregation of duties. However, the City will continue to review its procedures to determine if any improvements can be made using the limited personnel available.

2020-002 Finding: Financial Report Preparation and Material Audit Adjustments

Criteria: The financial statements are the responsibility of City's management and internal controls should be in place to provide reasonable assurance over financial reporting.

CITY OF WABASSO
SCHEDULE OF PRIOR AND CURRENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Condition: The auditor was requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Auditing standards require auditors to communicate this situation to the Council as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. From a practical standpoint we do both for you at the same time in connection with our audit. This is not unusual for us to do with organizations of your size. However, based on auditing standards, it is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process. Additionally, adjustments were needed to record numerous accounting and audit adjustments, including some material. The material adjustments were to adjust cash, accounts receivable, taxes receivable, capital assets and debt activity.

Cause: We needed to make material audit adjustments in connection with our audit to correct the trial balance prepared by the city.

Effect: This could result in a loss of control over accounting transactions and errors not being found in a timely manner.

Recommendation: It is your responsibility to make the ultimate decision to accept this degree of risk associated with this condition because of cost or other considerations. The auditor has instructed management to review a draft of the auditor prepared financials in detail for their accuracy; we have answered any questions they might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosure in your statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements. While the City is reviewing the financial statements we recommend a disclosure checklist is utilized to ensure all required disclosures are presented and the City should agree its financial software to the numbers reported in the financial statements. Management should also review each journal entry, obtain an understanding of why the entry was necessary and modify current procedures to ensure that future corrections are not needed.

Corrective Action Plan and Council Response:

The City's management accepts the degree of risk associated with this condition and will continue to review its procedures to determine if any improvements can be made. The City will review and gain an understanding of the audit adjustments to reduce the number of entries necessary for future audits.

City of Wabasso
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue									
	EDA General	Ec Rec Grant II	Fire	Library	Small Cities	EDA 5 Plex	Cemetery	Revolving Loan		
ASSETS										
Cash and Cash Equivalents	\$ 163,547	\$ 80,294	\$ 66,367	\$ 162,048	\$ (1,263)	\$ 65,969	\$ 13,873	\$ 39,811		
Taxes Receivable	--	--	--	--	--	--	--	--		
Note Receivable-Due within one year	--	16,319	--	--	7,505	--	--	--		
Current due from other funds	6,286	810	--	--	--	1,931	--	--		
Note Receivable-Due beyond one year	--	72,018	--	--	--	--	--	--		
Total Assets	169,833	169,441	66,367	162,048	6,242	67,900	13,873	39,811		
DEFERRED OUTFLOWS OF RESOURCES										
Aggregated deferred outflows	--	--	--	--	--	--	--	--		
Total Assets and Deferred Outflows of Resources	169,833	169,441	66,367	162,048	6,242	67,900	13,873	39,811		
LIABILITIES										
Accounts Payable	\$ 1,114	--	\$ 3,811	\$ 1,595	\$ --	\$ 4,986	\$ --	\$ --		
Accrued Payroll Deductions Payable	--	--	--	1,532	--	--	--	--		
Security Deposits	--	--	--	--	--	3,100	--	--		
Current due to other funds	22,694	1,028	45,000	2,067	--	25,469	--	--		
Total Liabilities	23,808	1,028	48,811	5,194	--	33,555	--	--		
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenue - Notes Receivable	--	--	--	--	7,505	--	--	--		
Unavailable Revenue - Property Taxes	--	--	--	--	--	--	--	--		
Total Liabilities and Deferred Inflows of Resources	23,808	1,028	48,811	5,194	7,505	33,555	--	--		
FUND BALANCE										
Nonspendable	--	72,018	--	--	--	--	--	--		
Restricted	--	--	--	--	--	--	--	--		
Assigned	146,025	96,395	17,556	156,854	--	34,345	13,873	39,811		
Unassigned	--	--	--	--	(1,263)	--	--	--		
Total Fund Balance	146,025	168,413	17,556	156,854	(1,263)	34,345	13,873	39,811		
Total Liabilities, Deferred Inflows of Resources and Fund Balance	169,833	169,441	66,367	162,048	6,242	67,900	13,873	39,811		

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

City of Wabasso
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
December 31, 2020

	Debt Service					Total Nonmajor Governmental Funds
	2017A Tax Abatement Note Fund	2013A Refunding Bonds	TIF 1-3	TIF 1-5	2000 GO Sewer Bonds	
ASSETS						
Cash and Cash Equivalents	\$ (10,750)	\$ 45,839	\$ (1,324)	\$ 19,958	\$ 80	\$ 644,469
Taxes Receivable	-	1,559	-	-	1	1,560
Note Receivable-Due within one year	-	-	-	-	-	23,824
Current due from other funds	15,541	-	-	-	-	24,568
Note Receivable-Due beyond one year	-	-	-	-	-	72,018
Total Assets	4,811	47,398	(1,324)	19,958	81	766,439
DEFERRED OUTFLOWS OF RESOURCES						
Aggregated deferred outflows	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 4,811	\$ 47,398	\$ (1,324)	\$ 19,958	\$ 81	\$ 766,439
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,506
Accrued Payroll Deductions Payable	-	-	-	-	-	1,532
Security Deposits	-	-	-	-	-	3,100
Current due to other funds	-	-	1,093	23,394	-	120,745
Total Liabilities	-	-	1,093	23,394	-	136,883
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Notes Receivable	-	-	-	-	-	7,505
Unavailable Revenue - Property Taxes	-	913	-	-	1	914
Total Liabilities and Deferred Inflows of Resources	-	913	1,093	23,394	1	145,302
FUND BALANCE						
Nonspendable	-	-	-	-	-	72,018
Restricted	4,811	46,485	-	-	80	51,376
Assigned	-	-	-	-	-	504,859
Unassigned	-	-	(2,417)	(3,436)	-	(7,116)
Total Fund Balance	4,811	46,485	(2,417)	(3,436)	80	621,137
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,811	\$ 47,398	\$ (1,324)	\$ 19,958	\$ 81	\$ 766,439

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

City of Wabasso
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue									
	EDA General	Ec Rec Grant II	Fire	Library	Small Cities	EDA 5 Plex	Cemetery	Revolving Loan		
Revenues										
Property Taxes	\$ 4,987	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenues	--	--	3,066	37,386	--	--	--	--	--	--
Charges for Services	--	--	22,857	20,280	--	38,575	75	--	--	--
Contributions	--	--	3,900	7,635	--	--	--	--	--	--
Other Revenue	104	377	153	223	--	--	--	--	--	--
Interest Income	1,033	2,252	62	303	--	26	--	--	93	93
Total Revenues	6,124	2,629	30,038	65,827	--	38,601	75	--	93	93
Expenditures										
Public Safety	--	--	32,478	--	--	--	--	--	--	--
Culture and Recreation	--	--	--	99,801	--	--	323	--	--	--
Housing and Economic Development	9,516	--	--	--	--	14,318	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--
Principal Payments	--	--	--	--	--	22,431	--	--	--	--
Interest and Other Charges on Debt	--	--	--	--	--	1,569	--	--	--	--
Capital Outlay	--	--	9,797	2,387	--	--	--	--	--	--
Total Expenditures	9,516	--	42,275	102,188	--	38,318	323	--	--	--
Excess of Revenues Over										
(Under) Expenditures	(3,392)	2,629	(12,237)	(36,361)	--	283	(248)	--	93	93
Other Financing Sources (Uses)										
Gain (Loss) on Sale of Capital Assets	20,204	--	--	--	--	--	--	--	--	--
Insurance Proceeds	209	--	304	290	--	--	--	--	--	--
Transfers from other funds	17,118	--	26,424	43,535	--	--	--	--	--	--
Transfers to other funds	--	(3,486)	--	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	37,531	(3,486)	26,728	43,825	--	--	--	--	--	--
Net Change in Fund Balance	34,139	(857)	14,491	7,464	--	283	(248)	--	93	93
Fund Balance at Beginning of Period	111,886	169,270	3,065	149,390	(1,263)	34,062	14,121	--	39,718	39,718
Fund Balance at End of Period	\$ 146,025	\$ 168,413	\$ 17,556	\$ 156,854	\$ (1,263)	\$ 34,345	\$ 13,873	\$ --	\$ 39,811	\$ 39,811

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

City of Wabasso
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds - Continued
For the Year Ended December 31, 2020

	Debt Service					Total Nonmajor Governmental Funds
	2017A Tax Abatement Note Fund	2013A Refunding Bonds	TIF 1-3	TIF 1-5	2000 GO Sewer Bonds	
Revenues						
Property Taxes	\$ 30,044	\$ 16,381	\$ 9,154	\$ 62,859	\$ --	\$ 123,425
Intergovernmental Revenues	--	--	--	--	--	40,452
Charges for Services	--	--	--	--	--	81,787
Contributions	--	--	--	--	--	11,535
Other Revenue	--	--	--	--	--	857
Interest Income	--	213	--	--	--	3,982
Total Revenues	30,044	16,594	9,154	62,859	--	262,038
Expenditures						
Public Safety	--	--	--	--	--	32,478
Culture and Recreation	--	--	--	--	--	100,124
Housing and Economic Development	--	--	--	--	--	23,834
Other	--	--	1,085	1	--	1,086
Principal Payments	23,000	40,000	--	40,000	--	125,431
Interest and Other Charges on Debt	13,646	8,283	8,467	10,425	--	42,390
Capital Outlay	--	--	--	--	--	12,184
Total Expenditures	36,646	48,283	9,552	50,426	--	337,527
Excess of Revenues Over (Under) Expenditures	(6,602)	(31,689)	(398)	12,433	--	(75,489)
Other Financing Sources (Uses)						
Gain (Loss) on Sale of Capital Assets	--	--	--	--	--	20,204
Insurance Proceeds	--	--	--	--	--	803
Transfers from other funds	--	28,500	--	--	--	115,577
Transfers to other funds	--	--	--	--	--	(3,486)
Net Other Financing Sources (Uses)	--	28,500	--	--	--	133,098
Net Change in Fund Balance	(6,602)	(3,189)	(398)	12,433	--	57,609
Fund Balance at Beginning of Period	11,413	49,674	(2,019)	(15,869)	80	563,528
Fund Balance at End of Period	\$ 4,811	\$ 46,485	\$ (2,417)	\$ (3,436)	\$ 80	\$ 621,137

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

RESOLUTION No. ____-2021

**A RESOLUTION APPROVING THE WRITE OFF OF THE FOLLOWING
UNCOLLECTABLE AMBULANCE ACCOUNTS**

WHEREAS, the City of Wabasso on advice of the contracted auditors have decided to write off uncollectable accounts held by the Wabasso Ambulance Association; and

WHEREAS, the time frame for collecting through the State of Minnesota Revenue Recapture program is in general set at six years after the debt is incurred or the last payment of any kind on the account is collected; and

WHEREAS, it is now July 12, 2021;

NOW THEREFORE, THE CITY COUNCIL OF WABSSO does hereby declare all uncollected balances incurred prior to December 31, 2015 are to be written off;

BE IT FURTHER RESOLVED, that the city approve an allowance of up to 1/3 of ambulance balances for the fiscal years prior to the previous fiscal year.

BE IT FURTHER RESOLVED, that it be the policy of the City Council that all debt balances for Ambulance service Accounts greater than six years old be declared as uncollectable until this policy is rescinded by the City Council.

Adopted by the City Council this 12th day of July, 2021

Carol, Atkins Mayor

Attest:

Larry J Thompson, Clerk

RESOLUTION No. ____-2021

**A RESOLUTION RELATING TO UTILITY BILLING
LATE FEES AND PENALTIES**

WHEREAS, the City of Wabasso has not charged fees or penalties due for late payment fees due to the COVID-19 pandemic, and

WHEREAS, it appears that the impact of COVID-19 pandemic is lessening, and

WHEREAS, the State of Minnesota has either eliminated or relaxed COVID-19 related restrictions.

NOW THEREFORE, THE CITY COUNCIL OF WABASSO rescinds the abovementioned policy and will begin charging late fees and penalties per city policy beginning with the September, 2021 billing cycle.

BE IT FURTHER RESOLVED, that the City Clerk is hereby directed to notify the utility customers of the change via newspaper publication, Facebook, the City website or Public Alert.

Adopted by the City Council this 12th day of July, 2021.

Carol, Atkins Mayor

Attest:

Larry J Thompson, Clerk

RESOLUTION No. ____-2021

**A RESOLUTION AUTHORIZING PURCHASE OF CITY DUMP TRUCK
AND ADJUSTING THE 2021 OPERATING BUDGET**

WHEREAS, the City of Wabasso Street Department presently owns 2 snow plow/dump trucks, and

WHEREAS, the 1986 Ford 8000 snow plow needs to be replaced, and

WHEREAS, the Street Maintenance Supervisor and Utilities Director searched for a replacement unit and narrowed the search down to four units, and

WHEREAS, after consulting with an expert in the field and inspecting a 2007 Freightliner M2 Plow Truck (vin 1FVACYDC47HY35744) at North Star Truck Sales in Rochester, it was determined this unit was the best value for the city, and

WHEREAS, the 2021 Operating Budget does not include the purchase of a snow plow, but the city council did assign \$70,000 of the City's General Fund balance for replacement of trucks for snow plowing.

NOW THEREFORE, BE IT RESOLVED by the Wabasso City Council as follows:

1. The City Clerk is hereby authorized and directed to execute the necessary documents to purchase and transfer title to the city per the terms of the attached purchase agreement with Northstar Truck Sales in St. Cloud. Total purchase price - \$56,002.50.
2. The Street Maintenance Supervisor is hereby authorized and directed to sell the 1986 Ford 8000 Snow Plow.
3. The 2021 Operating budget is hereby amended as follows:
 - a. Capital Outlay (Snow Plow) 101-43100-500 **add** - \$56,100.00
 - b. General Fund Fund Balance **reduce** - \$56,100.00

Adopted by the City Council this 12th day of July, 2021.

Carol, Atkins Mayor

Attest:

Larry J Thompson, Clerk

CEDAR STREET IMPROVEMENTS
CITY OF WABASSO, MN
SAP 064-594-003

Engineering Report
City Council Mtg.
July 12, 2021

1 Project History / Background Info

- City Capital Improvements Program - Priorities
- Review of State Aid Local Road Improvement Program (LRIP)
- 1st Application to LRIP, Feb. 2019, Cedar Street & Front Street
- 2nd Application to LRIP, Feb. 2021, Cedar Street & Front Street
- See LRIP Award Letter dated June 1, 2021
- Awarded Grant for Cedar Street only. \$1,250,000

2 Project Scope

- See Figures 1 & 2 from LRIP Applic.
- Cedar Street, from TH 68 to May Street
- Includes Reconstruction;
 - Bituminous Street Surface
 - Concrete Curb & Gutter, Walks, Driveway Aprons
 - Storm Sewer

3 Project Costs / Funding / Financing

- See Cost Summary from LRIP Applic.
- Total Estimated Project Costs \$2,038,080
- Funding
 - LRIP Grant \$1,250,000
 - City Est. Costs \$788,080
- City Financing Options
 - General Fund / Reserves
 - General Obligation Bond
 - Increase in Taxation
 - Increase in Utility Fees
 - Assessments (Min. of 20% of Bond Issue)
 - Combinations of these

4 Project Schedule

- See Tentative Schedule from LRIP Appl.

5 Action Items

- Consider Assessment Policy
- Set / hold Public Improvement Hearing, if assessing
- Set / hold Public Informational Meeting, if NOT assessing
- Prepare City / County Agreement, if needed
- Authorize Preparation of Plans & Specifications

June 1, 2021

Larry Thompson
City of Wabasso
1429 Front Street
Wabasso, MN 56293Anthony Sellner
Redwood County
1820 East Bridge Street, PO Box 6
Redwood Falls, MN 56283

Re: 2020 Local Road Improvement Program Project Selection

Dear Mr. Thompson,

Thank you for submitting an application for the Local Road Improvement Program (LRIP). The Cedar Street reconstruction project in the City of Wabasso was selected for Local Road Improvement Program funds appropriated by the legislature in 2020. We have identified up to \$1,250,000 in LRIP funds for this project. Please start working immediately with the project sponsor on project development.

Enclosed is a State Fund Grantee User Guide that provides a summary of the process for developing and delivering a state bond funded project. Your first step will be to request a State Aid Project (SAP) number for this project if you don't already have one (or SP number if you also have federal funding). Please work with your district state aid engineer (DSAE) throughout project development. Please send the SAP number to me immediately after it is issued.

Following are a few other important notes:

- Items that are eligible for LRIP funds include reasonable elements associated with roadway construction, including basic landscaping and turf establishment. Landscaping planters, benches, bike racks, decorative fences, ornamental lighting, and other aesthetic treatments above the standard are generally not eligible. Other items that are not eligible include engineering, construction administration and inspection, right of way acquisition, and water main, sanitary sewer, or private utility work. Additionally, work on trunk highways or on trunk highway right of way is not eligible.
- Your agency will be required to execute an LRIP grant agreement prior to construction, which includes certification of right of way ownership by the agency and a resolution agreeing to finance any cost in excess of the grant amount before the grant can be authorized for reimbursement.
- The plan and engineer's estimate need to be developed with a column that identifies LRIP participating items. If more than one agency will ultimately own bond funded improvements, there will need to be separate LRIP participating columns on the engineer's estimate for each agency. Additionally, if this is the case, separate LRIP grant agreements will be required with each agency that will ultimately own bond funded improvements.
- Projects should adhere to state aid standards or the American Association of State Highway and Transportation Officials (AASHTO) A Policy on Geometric Design of Highways and Streets. Please consult with your DSAE to determine the appropriate design standards for your project.
- The DSAE will need to review, approve, and sign plans prior to advertising the construction contract. Additionally, you will need a funding letter from my office before advertising the construction contract. The LRIP amount in the funding letter will be based on a review of eligible items in the engineer's estimate.

Done
SAP No. = 064-594-003

Part of
plans &
specs

- My office will provide additional instructions for assembling and executing the LRIP grant agreement as part of the delivery of the funding letter.
- The final LRIP amount as included in one or more LRIP grant agreements will be based on the low bid documents. The LRIP grant amount is typically capped.
- The LRIP grant agreement should be fully executed before construction begins.

If you have questions, please contact Rashmi Brewer at rashmi.brewer@state.mn.us. She will be your main point of contact for this LRIP award.

Sincerely,



Marc Briese
State Aid Programs Engineer

copy: Todd Broadwell, District 8 State Aid Engineer

enclosure: State Fund Grantee User Guide

Agency	District	Location	LRIP Award
*Red Wing	6	Sturgeon Lk grade separation	\$10,000,000
*Richfield	M	77th St underpass	\$6,000,000
*Sartell	3	Scout Dr	\$5,500,000

* Legislatively selected

Table 3 Small City and Township LRIP Projects

Agency	District	Location	LRIP Award
City of Proctor	1	2nd Street	\$1,250,000
City of Park Rapids	2	Fair Ave	\$1,250,000
City of Baudette	2	Main Ave N	\$ 470,000
City of Plummer	2	Red Lake Ave & Poplar St	\$ 549,500
City of E Gull Lake	3	Gull Lake Ln & Squaw Pt Rd	\$ 202,000
City of S Haven	3	Oak Ave	\$ 463,500
City of Nisswa	3	Nokomis Ave	\$ 914,000
City of Battle Lake	4	Olaf St & Memory Ln	\$ 973,000
City of NY Mills	4	N Boardman Ave	\$ 660,000
City of Dilworth	4	7th St NE	\$1,250,000
City of Wabasha	6	Pembroke, Main, Bridge Ave	\$1,250,000
City of Lanesboro	6	Beacon, Rochelle, Coffee	\$ 600,000
City of Mapleton	7	Borchert St SW/SE	\$1,250,000
City of Dassel	8	First St	\$ 886,500
City of Wabasso	8	Cedar	\$1,250,000
City of Carver	M	6th St W	\$1,250,000
Eagle Township	1	Kingsley Rd	\$ 623,500
Harris Town	1	Sunny Beach Rd	\$1,250,000
Waukon Town	2	430th St	\$ 547,500
Arago Town	2	230th St & 141st Ave	\$ 951,000
Becker Town	3	97th St SE	\$1,250,000
Detroit Town	4	Highland Dr	\$1,250,000
Mound Prairie Town	6	South Ridge Rd	\$ 667,000
Bath Town	6	780th Ave	\$ 300,000
Oshawa/Traverse Town	7	361st Ave	\$1,250,000
Great Bend Town	7	480th Ave	\$ 475,000
Dovre Town	8	40th Ave NE	\$ 600,000
Sunrise Town	M	River Rd/Mill St	\$ 275,000
Watertown Town	M	Quarry Ave	\$ 270,000
*City of Henderson	7	TH 93 flood mitigation	\$1,800,000
*City of Oak Park Heights	M	60th St	\$ 790,000
*City of Zumbrota	6	Jefferson Dr	\$3,000,000

* Legislatively selected

32 Each

For more information visit: <http://www.dot.state.mn.us/stateaid/lrip.html>

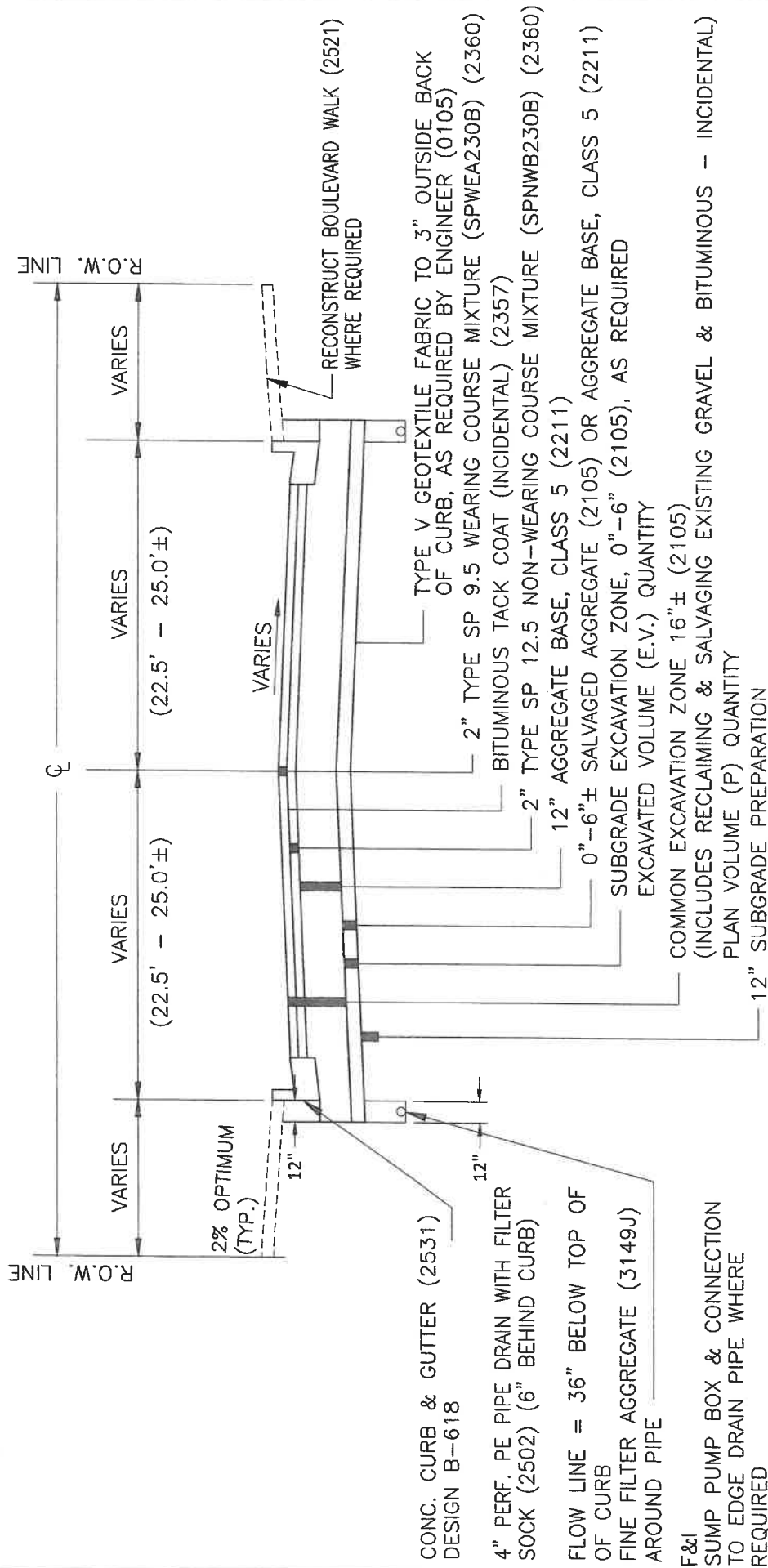
Or contact: Marc Briesse, State Aid Programs Manager, 651-366-3802

marc.briesse@state.mn.us

CITY OF WABASSO

REDWOOD COUNTY, MN





CEDAR STREET
TYPICAL SECTION
GRAVEL BASE, CURB & GUTTER AND BITUMINOUS SURFACING
LIGHT COMMERCIAL STREET DESIGN



**BOLTON
& MENK**

1243 CEDAR STREET NE
SLEEPY EYE, MINNESOTA 56085
Phone: (507) 794-5541
Email: SleepyEye@bolton-menk.com
www.bolton-menk.com

NOT TO SCALE

CITY OF WABASSO, MINNESOTA
2022-2023 IMPROVEMENTS

LIGHT COMMERCIAL ROAD DESIGN-TYPICAL STREET SECTION

FIGURE NO. 2

JANUARY, 2021

TABLE 1 - LRIP APPLICATION

COST SUMMARY

2022-2023 CEDAR STREET IMPROVEMENTS

FROM TH 68 TO MAY STREET

CITY OF WABASSO, MN

Date: 25-Jan-21

Prep. By: Bolton & Menk
Sleepy Eye, MN

Filename: H:\WABA\SJ3118248\2_Preliminary\C_Reports\2021 LRIP Cedar Street Supporting Documents\2021 Cedar Street LRIP Application Checklist.xlsx[Sheet1]

ITEM NO.	ITEM DESCRIPTION	ESTIMATED COSTS			
		CONST. COST	ENG. COST	CITY ADM. PERMITS, TESTING	TOTAL COST
LRIP ELIGIBLE PROJECT COSTS					
1	SURFACE IMPROVEMENTS	\$926,070.00	\$203,740.00	\$27,790.00	\$1,157,600.00
2	CURB & GUTTER AND CONCRETE SURFACING IMPROVEMENTS	\$471,760.00	\$103,790.00	\$14,160.00	\$589,710.00
3	STORM SEWER IMPROVEMENTS	\$232,610.00	\$51,180.00	\$6,980.00	\$290,770.00
SUB-TOTAL - LRIP ELIGIBLE		\$1,630,440.00	\$358,710.00	\$48,930.00	\$2,038,080.00
NOTE: ONLY CONSTRUCTION COSTS ARE ELIGIBLE FOR LRIP FUNDS					
NON-LRIP ELIGIBLE PROJECT COSTS					
4	SANITARY SEWER AND WATERMAIN	\$0.00	\$0.00	\$0.00	\$0.00
SUB-TOTAL - NON LRIP ELIGIBLE		\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ESTIMATED PROJECT COST		\$1,630,440.00	\$358,710.00	\$48,930.00	\$2,038,080.00

GRANT REQUEST SUMMARY ----->

LRIP GRANT REQUEST	\$1,250,000.00
LOCAL/OTHER FUNDS	\$788,080.00
TOTAL PROJECT COST	\$2,038,080.00

TENTATIVE SCHEDULE

2022-2023 CEDAR STREET IMPROVEMENTS

CITY OF WABASSO, REDWOOD COUNTY, MN

<u>DATE:</u>	<u>ITEM:</u>
February 2021	REDWOOD COUNTY (SPONSOR FOR CITY OF WABASSO) SUBMITS LRIP APPLICATION
March – May 2021 <i>June 1, 2021</i>	MnDOT NOTIFIES REDWOOD COUNTY & CITY OF WABASSO OF GRANT AWARD
June 2021 – Mar. 2022 <i>July</i>	CITY / COUNTY AUTHORIZES PREPARATION OF PLANS & SPECIFICATIONS BMI PERFORMS TOPO SURVEY BMI PREPARES PLANS & SPECIFICATIONS CITY CONDUCTS PUBLIC IMP. HEARING, IF NEEDED
Mar. – Apr. 2022	STATE AID REVIEWS / APPROVES PLANS & SPECIFICATIONS COUNTY / CITY AUTHORIZES ADV. FOR BIDS
May 2022	OPEN BIDS. AWARD PROJECT. <i>Bituminous Wear Course?</i>
June – Oct 31, 2022	CONSTRUCT PROJECT (All work, except <u>curb and gutter and bituminous surfacing.</u>) Includes removals, utilities, excavation, & gravel base) <i>?</i>
May – July 31, 2023	CONSTRUCT PROJECT Curb & Gutter, Walks, Driveway Approaches and Bituminous Non-Wear Course Topsoil & Seed Boulevards <i>] ? open for discussion</i>
Sept. 1 – Sept. 30, 2023	CONSTRUCT PROJECT Bituminous Wear Course
Oct., 2023	CITY CONDUCTS FINAL ASSESSMENT HEARING, IF NEEDED



Kinner & Company Ltd
Certified Public Accountants

MANAGEMENT LETTER

To the Council and Mayor
of the City of Wabasso

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wabasso, Minnesota for the year ended December 31, 2020, we considered the City's internal control as a basis for designing auditing 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

However, during our audit we became aware of the following opportunity for strengthening internal controls and operating efficiency. The comments and suggestions are summarized below. This letter does not affect our report dated July 12, 2021, on the financial statements of the City of Wabasso, Minnesota.

COMMENTS AND SUGGESTIONS

- During the audit, it was noted that the Clerk/Administrator inconsistently assessed late payment penalties to utility bills not paid by the first of the subsequent month. No one is really sure if the Council approved to temporarily put a hold on assessing late payment penalties; however, it was not recorded in the minutes. We recommend the Administrator follow City policy.
- During the audit, it was noted that ambulance receivable was from runs dating back to 2004. It is our understanding the Council has since written off outstanding ambulance receivables from 2004 through December 31, 2014. We recommend that the Council continues to monitor the balance and determine if any uncollected accounts should be written off on an annual basis. We also recommend the City works with Expert T to get the amount of receivables written off removed from their records.
- During the audit, it was noted the TIF 1-3 payment to Jonti-Craft was not paid in January 2021 for TIF payments received in December 2020. We recommend paying Jonti-Craft \$4,119.17 plus interest as required. Per Minnesota Statute Section 471.425 subd. 2, city councils who meet at least once a month have the standard payment period of 35 days from receipt. Per Minnesota Statute Section 471.425 subd. 4, the city must pay interest on bills not paid in a timely manner. The interest rate is 1 ½ percent per month or part of a month. The minimum monthly interest on a bill of \$100 or more is \$10.

- During the audit, it was noted that EDA II had an outstanding balance of \$357 from Safe Storage. We recommend writing off the balance of this loan.
- Recommend increasing capitalization threshold from \$1,000 up to \$5,000 per GFAO guidelines.
- We recommend the City reviews the current due to and from schedules to repay or write off interfund balances.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the City Clerk, and we will be pleased to discuss them in further detail at your convenience.

Sincerely,

Kinner & Company Ltd.

Kinner & Company Ltd
July 12, 2021

SANITARY SEWER COLLECTION SYSTEM IMPROVEMENTS

CITY OF WABASSO, MN

Engineering Report

City Council Mtg.

July 12, 2021

1 Project History / Background Info

- Capital Improvements Program – Priorities / Reduce sewer backups
- RD Preliminary Engineering Report (PER)
 - Original Submitted Feb. 2020
 - Original Resubmitted June 2020 – Stab. Pond Site was selected
 - Addendum No. 1 - Submitted 12-18-20 – Answered questions
 - Addendum No. 2 – Submitted 3-5-21 – Omitted Stab. Ponds / Revised Costs for 20' wide street repairs (vs 10' wide)
 - Still waiting on RD concurrence / approval
- RD Environmental Report (ER)
 - Original Submitted Feb. 2020
 - Original Resubmitted July 2020 – to match revised PER
 - Approved by RD on 3-10-21
- RD Apply (Rural Development On-Line Applic Process)
 - City Staff Submitted final edition 7-12-21.
 - RD to calculate funding accordingly
- MPCA & PFA
 - Facilities Plan and Env. Worksheet have been submitted & approved
 - Awaiting RD approval of PER and funding package proposal

2 Project Scope

- See Figure 8
- Combination of open cut reconstruction and CIPP lining
- Includes 20' wide Bit. street restoration / Not full width
- Includes Alley gravel base restoration

3 Project Costs / Funding / Financing

- See Project Cost Summary from PER Addendum 2
- Total Estimated Project Costs \$7,252,122 (Collection System Only)
- Funding
 - RD Loan & Grant
 - PFA Loan & Grant
 - City / Other Funds
- RD Funds Status
 - October 1, 2021 – Start RD Fiscal Period 2022
 - Funds usually not known for 2 months, therefore Dec. 2021
 - See latest email from RD, dated 7-8-21
- PFA Funds Status
 - Awaiting RD Proposal (ranked 16th on PPL)
- City Financing Options
 - General Fund / Reserves / GO Bond / Inc. Taxes / Inc. Util Bills / Assessments

4 Project Schedule

- See Latest Tentative Schedule from RD PER Addendum No. 2

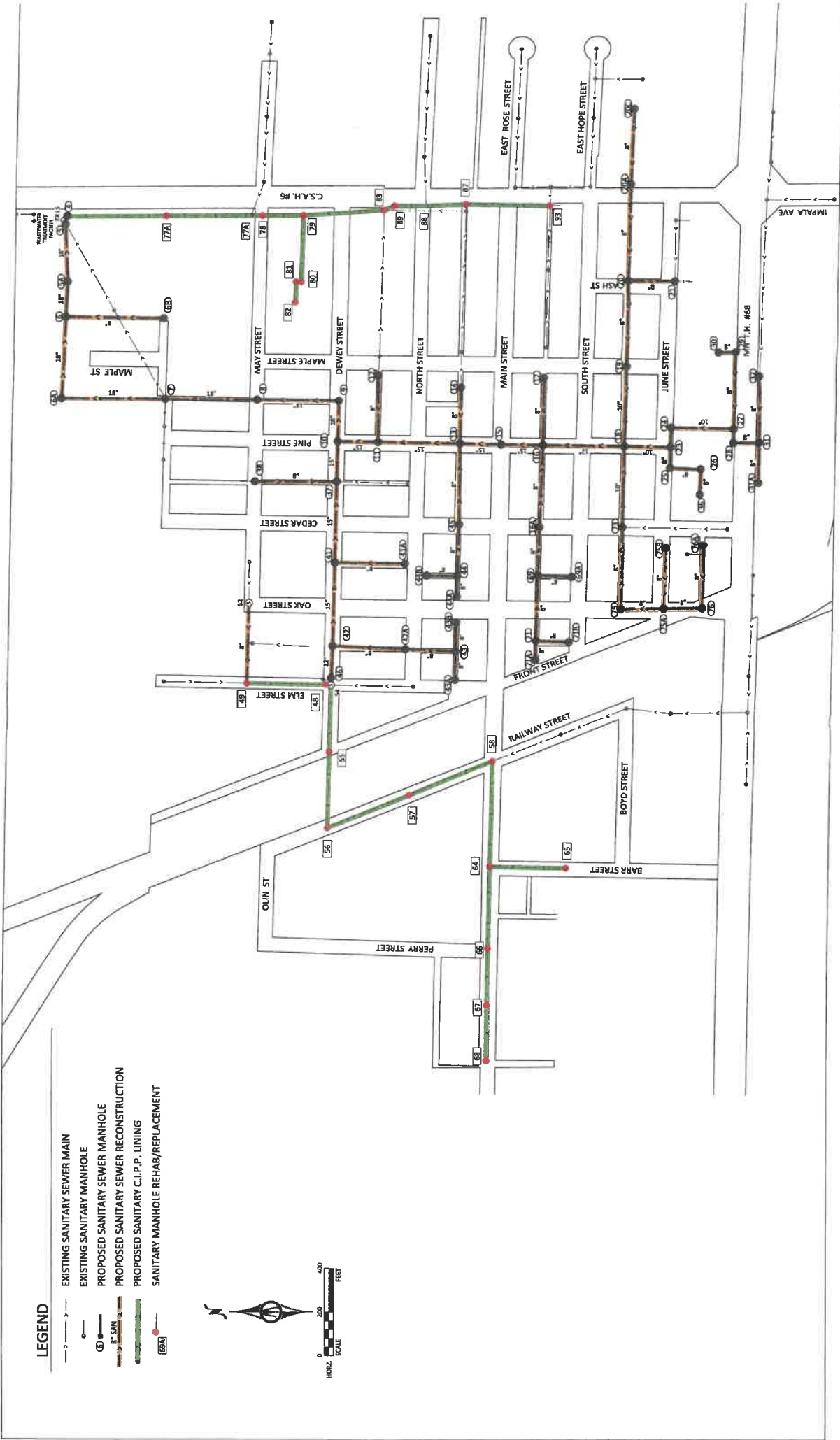
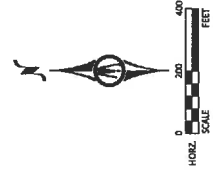
5 Action Items

- Wait on RD approval of Addendum No. 2 to the PER
- Wait on RD / PFA funding package proposal
- Authorize Preparation of Plans & Specifications (topo survey is 90% complete)



LEGEND

- EXISTING SANITARY SEWER MAIN
- EXISTING SANITARY MANHOLE
- PROPOSED SANITARY SEWER MANHOLE
- PROPOSED SANITARY SEWER RECONSTRUCTION
- PROPOSED SANITARY C.I.P. LINING
- SANITARY MANHOLE REHAB/REPLACEMENT



PROJECT COSTS SUMMARY (Phase 1) -- ADDENDUM NO. 2
SANITARY SEWER SYSTEM IMPROVEMENTS
CITY OF WABASSO, MN

FILENAME:

H:\WABA\S13116937\2_Preliminary\A_Calculations\[Construction Costs Summary - Add 2.xlsx]Preliminary Cost Estimate

DATE:

February 15, 2021

ITEM	COLLECTION SYSTEM TOTAL
Construction Costs - Using Selected Alternative	\$5,123,322
Project Contingency	\$512,300
Basic Engineering (Includes PER)	\$738,700
RPR Services	\$393,600
Additional Engineering Services	\$0
Land / Easements Purchase	\$100,000
Administration / Legal / Geotech / Matls Testing	\$128,000
Interim Interest	\$256,200
TOTAL	\$7,252,122
Annual O & M Expenses	\$21,300
Annual SLA Reserve	\$5,000
# Equivalent Dwelling Units	354

David Palm

From: Grindberg, Douglas - RD, St. Paul, MN <douglas.grindberg@usda.gov>
Sent: Thursday, July 8, 2021 1:23 PM
To: David Palm
Cc: Wabasso, MN (cwab@redred.com)
Subject: Funding update

David and Larry

Per my telephone conversation with David this morning he asked for an update on RD funding cycles.

Our new fiscal year begins on October 1, 2021, at which time Minnesota RD should get our allocation of funding for FY 2022. That being said we rarely get funding at the start of the fiscal year, it normally takes a couple of months before funds are available. Another piece of the puzzle is how likely the project can get grant funding from MPCA. If the City is high enough on the PPL list for 2022 and is awarded grant funding and paired with RD Grant and Loan the funding package for the project will be more affordable for the City. However it is my understanding that 2022 awards will be sometime in May 2022. Without MPCA grant funding RD can still fund the project, however the RD Grant funds may be limited which could increase the loan amount for the project.

I spoke with our state office regarding the status of the PER review. I was told that the engineers are currently reviewing plans & specifications for projects going out for bid this summer. It is anticipated that they will resume PER reviews in the next 2 weeks.

Larry – It appears that RD Apply is complete, therefore can go ahead and submit the application. Go into RD Apply and go to the “Summary/Submit” tab. At the center bottom of the Summary/Submit screen click on the Blue Submit button. This will allow me to transfer the application over to my underwriting software so I will be ready when the PER review is complete. I can make any revisions necessary due to any changes in the PER.

Feel free to contact me with any questions

Doug Grindberg
Area Specialist - Community Programs
375 Jackson St., Suite 410
Saint Paul, MN 55101
Phone: 651-602-7794
United States Department of Agriculture - Rural Development
<https://www.rd.usda.gov/mn>

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ADDENDUM NO. 2 (revisions shown in green)

City of Wabasso

Sanitary Sewer System Improvements

Project Schedule (Phase 1)

Table VI-1 - Proposed Project Schedule (Updated 11-17-20) (Updated 2-15-21)		
Item	Collection System	Treatment Facility
Hold Public Hearing	February 2020	February 2020
Preliminary Engineering Report to RD/MPCA	March 2020	March 2020
Addendum No. 2 for PER submitted to RD	Feb. 2021	
Council Authorizes Preparation of Plans & Specifications (Dependent upon Funding Offer)	October 2020 January 2021 March 2021	October 2021
Design Improvements and RD Review & Approval	Nov 2020 – May 2021 Jan. 2021 – Jun. 2021 April 2021 – Mar. 2022	Nov 2021 – April 2023 Nov. 2021 – Jan. 2023
Council Approval of Plan & Specifications and Authorizes Advertisement for bids	June 2021 July 2021 April 2022	May 2023 February 2023
Advertise for Bids	June 2021 July 2021 April 2022	May 2023 March 2023
Receive Bids	July 2021 Aug. 2021 May 2022	June 2023 April 2023
Award/Begin Construction	August 2021 September 2021 June 2022	July 2023 May 2023
Complete Construction	July 2023 Sept. 2023	June 2025 July 2024

Larry Thompson

From: Larry Thompson
Sent: Wednesday, June 30, 2021 1:25 PM
To: Brad Salfer; Carol Atkins; Jeff Olson (ole3475@gmail.com); rjb11@earthlink.net; Steve Burns
Cc: 'matt@novaklawmn.com'; 'Jim Jenniges'; Paul Plaetz (aplaetz@hotmail.com)
Subject: Plow/Dump Truck
Attachments: SKM_C300i21063013161.pdf; SKM_C300i21063013160.pdf

Good afternoon,

Jim and Paul located a 2007 Freightliner plow/dump truck with a stainless steel box and wing for \$54,500. (See attached) They went up yesterday to inspect and were able to get the price reduced to \$52,500. The truck is in very good shape with a Cat Diesel and Allison Automatic transmission. The salesperson agreed to hold it until the next council meeting but would like the council's sentiment as soon as possible.

I've attached a resolution allocating \$70,000 for a snow plow. With the council's blessing I will prepare a resolution authorizing the purchase and amending the 2021 budget to fund the snow plow with funds transferred from the fund balance which will be placed on the 7/12/21 agenda.

Please let me know if you have any concerns or objection to proceeding with the purchase. The city will not be obligated until the Council acts.

Larry J Thompson
City Clerk/Treas.-Administrator
City of Wabasso
P O Box 60
Wabasso MN 56293
cwab@redred.com
Pop 694

**RESOLUTION 3-2018
A RESOLUTION ASSIGNING FUND BALANCE**

Whereas, The Government Accounting Standards Board (GASB) has issued Statement No. 54 establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; and

Whereas, the City Council is the highest level of decision-making authority, and has the authority to assign fund balances; and

Whereas, the assigned fund balance reflects internal constraints imposed by the City Council; and

Whereas, once the assigned fund balance constraints are imposed, it requires the constraints to be removed by the City Council in a like manner prior to redirecting the funds for other purposes;

Now, therefore the City Council of the City of Wabasso hereby resolves to assign \$100,000.00 to Street Repairs, \$70,000.00 to replacement of trucks for snowplowing, \$30,000.00 toward the purchase of general use vehicles for Streets, and/or Water & Sewer, and \$50,000.00 to storage improvements for city owned equipment.

Passed and Approved this 20 day of August, 2018.



Carol Atkins, Mayor

Attest:



Mary K. Smith, City Clerk



Northstar Truck Sales Inc
2939 Hwy 10 South
St Cloud, MN 56304
+1 3205294040
doug@northstartrucksales.com
www.northstartrucksales.com

INVOICE

BILL TO
City Of Wabasso
1429 Front St
Wabasso, MN 56293

INVOICE # 3973
DATE 06/30/2021
DUE DATE 06/30/2021
TERMS Due on receipt

DESCRIPTION	AMOUNT
Vehicle 2007 Freightliner M2 Plow Truck With Wing and Sander Stainless Box Vin1FVACYDC47HY35744 135k for miles	52,500.00T
Filing/Documentation Fee Filing/Documentation Fee	50.00
License Fee License Fee/Registration Fee	40.00
.....
Thank you for your business.	SUBTOTAL 52,590.00
Buyer's Signature _____	TAX (6.5%) 3,412.50
Date _____	TOTAL 56,002.50
	BALANCE DUE \$56,002.50

Seller's Signature _____ Date _____ | Seller's
Signature _____ Date _____

**BUY
WHAT
YOU
WANT** WITH

Check Buying Power



2007 FREIGHTLINER BUSINESS CLASS M2 106 For Sale In Saint Cloud, Minnesota



For Sale Price: \$54,500

 [Get Financing*](#)

Contact Information

Northstar Truck Sales

 [Saint Cloud,](#)

[Minnesota 56304](#)

Phone: [\(320\) 352-8317](#)

[Video Chat With](#)

[This Dealer](#)

Contact: Doug
Walz

 Photos (31)



[Apply for Financing](#)

[Get Insurance](#)



[Get Shipping Quotes](#)

Description

Very Nice 1 Owner 2007 Freightliner M-2 Truck with a 10' Stainless Dump 11' 3-Way Plow 8' Wing Blade and Stainless Sander C-7 Cat / Allison Automatic Transmission

Specifications

General

Quantity	1	Stock Number	5744
Year	2007	Manufacturer	FREIGHTLINER
Model	BUSINESS CLASS M2 106	Condition	Used
Mileage	135,820 mi		

Engine

Engine Manufacturer	Caterpillar	Fuel Type	Diesel
		Powertrain	
		Transmission	Automatic

Chassis

Drive	4x2	Gross Vehicle Weight	41,000 lb
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Interior

Drive Side Left Hand Drive

*Notice: Financing terms available may vary depending on applicant and/or guarantor credit profile(s) and additional approval conditions. Assets aged 10-15 years or more may require increased finance charges. Financing approval may require pledge of collateral as security. Applicant credit profile including FICO is used for credit review. Commercial financing provided or arranged by Express Tech-Financing, LLC pursuant to California Finance Lender License #60DBO54873. Consumer financing arranged by Express Tech-Financing, LLC pursuant to California Finance Lender License #60DBO54873 and state licenses listed at this [link](#). Consumer financing not available for consumers residing in Nevada, Vermont, or Wisconsin. Additional state restrictions may apply. Equal opportunity lender.

POSTED JULY 1, 2021

ORDINANCE 203A: AN ORDINANCE REGULATING ANIMALS IN THE CITY OF WABASSO

The City Council of the City of Wabasso hereby ordains:

SECTION 1. Findings. The City of Wabasso finds that proper regulation of animals within the City shall improve the health, well-being, and enjoyment of the citizens of Wabasso.

SECTION 2. Purpose. This ordinance is adopted to regulate and control dogs, cats, chickens, and other animals in the City of Wabasso.

SECTION 3. Definitions. As used in this ordinance, the following words shall be defined to mean:

- Cat. "Cat" shall be intended to mean both the male and female of the Felidae species commonly accepted as domesticated household pets.
- Domestic animals. "Domestic animals" shall mean those animals commonly accepted as domesticated household pets.
- Dog. "Dog" shall be intended to mean both the male and the female of the canine species, commonly accepted as domesticated household pets, and other animals of a dog kind.
- Non-domesticated animals. "Non-domesticated animals" shall mean those animals commonly considered to be naturally wild and not naturally trained or domesticated.
- Owner. "Owner" shall be intended to mean any person or persons, firm, association or corporation owning, keeping or harboring an animal.
- At Large. "At Large" shall be intended to mean off the premises of the owner and not under the custody or control of the owner or other person, either by leash, cord, chain or otherwise restrained or confined.
- Kennel. "Kennel" shall be intended to mean any place, building, tract of land, abode or vehicle wherein or whereon five (5) or more dogs or cats or any combination of dogs and cats numbering more than five (5) over 3 months of age are kept.

SECTION 4. Prohibition On Non-Domesticated Animals. It shall be illegal for any person to own, possess, harbor, or offer for sale any non-domestic animal within the City limits. An exception shall be made to this prohibition for animals specifically trained for and actually providing assistance to a disabled individual, for those animals brought into the City as part of an operating zoo, veterinarian clinic, scientific research laboratory, or licensed show or exhibition, and for those animals being transported for agricultural purposes.

SECTION 5. License Required. All dogs and cats over 3 months of age shall be licensed and registered by the City. Pet licenses shall be issued by the City Clerk/Treasurer after payment of the fee. No pet license will be issued without proof of current rabies vaccinations.

- **Term of License.** Each license shall be issued for a one (1) year period to expire on June 1 of each year.
- **License Fees.** The annual cost of a license shall be set periodically by the City Council. If the owner is 30 days late in purchasing a license, the City will impose an additional late fee, as set by the City Council.
- **Tag and Collar.** The City Clerk/Treasurer shall provide each owner who applies for a license a tag to be affixed to a collar and worn at all time.

SECTION 6. Running At Large Prohibited. It is unlawful for the owner of any licensed or unlicensed animal to allow such animal to run at large.

SECTION 7. Dogs and Cats on Leash. The restriction imposed in Section 6 shall not prohibit the appearance of any dog or cat upon streets or public property when such dog or cat is on a leash and is kept under control of the accompanying person.

SECTION 8. Dogs or Cats Disturbing the Peace. It is unlawful for any person to keep or harbor a dog or cat which habitually barks, cries, squeals, howls or meows to the “disturbance of the public at large”. The phrase “disturbance at large” shall include, but is not limited to, the creation of noise by any dog or cat which can be heard by any persons, including a law enforcement officer, from a location at least 100 feet from the building or premises where the dog or cat is being kept and such noise occurs repeatedly over at least a five (5) minute period of time with one (1) minute or less between each dog or cat noise during the five (5) minute period. No person shall be convicted under the provisions of this subdivision except upon the evidence of two or more persons each of a different household, or upon the evidence of one person and witness of said violation by a law enforcement officer.

SECTION 9. Limitation on Number of Dogs and/or Cats on Premises. Not more than five (5) dogs or cats or any combination of dogs and cats numbering five (5), are to be maintained on any lot or in any residence except that one litter of pups or kittens in excess of the number above may be kept up to the age of three (3) months.

SECTION 10. Kennels. It is unlawful to operate a kennel within the City of Wabasso.

SECTION 11. Cleaning Up Litter. It shall be unlawful for any owner of a dog or cat to permit that dog or cat to be on any property, public or private, not owned or possessed by such owner unless such owner has in his or her possession a device for the removal of excrement and depository for the transmission of excrement to a proper receptacle located on property owned or possessed by the owner of said dog or cat or to fail to immediately remove excrement left by such dog or cat to a proper receptacle located on property possessed or owned by the owner of said dog or cat. A first violation of this section shall be a petty misdemeanor. A subsequent violation of this section shall be a misdemeanor.

SECTION 12. Dangerous Animals.

12.01. A dangerous animal is one that has, when unprovoked, bitten, attacked, or threatened the safety of a person or domestic animal.

12.02. The owner shall confine within a building or secure enclosure any dangerous, fierce, or vicious dog or cat and not permit such animal out of confinement unless and until it is securely muzzled and in control of a competent person.

SECTION 13. Impounding. The police or any other duly appointed person may take and impound any animal which is not being kept, confined or restrained in a manner consistent with the requirements of this regulation. The owner of an impound animal shall be responsible for impounding fees and boarding costs.

13.01. Notice to Owner: Immediately upon the impounding of an animal wearing a current license tag, the police shall make every reasonable effort to notify the owner of such impoundment, and of the conditions whereby the owner may regain custody of the animal. Verbal notice shall be immediately confirmed in writing by the police. If the owner is unknown a notice shall be posted at the City Office containing a description of the animal in an effort to identify the owner.

The written notice shall include the following information:

(a) The owner shall have the right to object to the impoundment by contacting the city clerk to request a hearing. If the owner fails to request a hearing and does not reclaim the animal, the city may elect to destroy the animal if sale or adoption is not practical.

13.02. Reclaiming Impounded Animals. An animal may be reclaimed by the owner within 10 business days of receiving notice of impoundment upon payment of any impounding fee together with boarding costs. If the animal is unlicensed, a license must be obtained and the fee paid before release from impoundment.

SECTION 14. Dogs Which Cannot Be Impounded. If an animal is rabid, or otherwise diseased, vicious or dangerous and cannot be impounded after a reasonable effort or without serious risk to the impounder or others, such animal may be immediately killed.

SECTION 15. Rabies Shots Required. It shall be unlawful for any individual to own a dog within the city if the dog has not been currently vaccinated for rabies. In order to obtain a license the owner must provide evidence of vaccination to the City.

SECTION 16. Biting Dogs. Whenever a dog or animal has bitten a person, the owner, having been notified either orally or in writing, shall immediately quarantine said dog or animal at the owner's home or other suitable place of confinement as directed by the responsible officer of the city for a period of 14 days after the occurrence. During the quarantine period, the animal shall be securely confined in a building or in a yard enclosed by a fence so constructed that the animal cannot escape or otherwise leave the said enclosure, and which will not permit other animals or persons to enter, for the purpose of preventing the animal from biting or coming in contact with persons or other animals. Upon a reasonable suspicion that the animal may be rabid, the animal shall be subjected to the necessary tests by a doctor of veterinary medicine for the purpose of

determining if it is infected with rabies. The confinement, testing, treatment in addition to all other expenses incurred as the result of an animal biting a person shall be at the expense of the owner of the said animal.

SECTION 17. Regulation of Chickens. Notwithstanding other provisions in this ordinance, chickens are allowed on any lot with a single family residence that is issued a permit to do so by the city. The provisions of this section are intended to regulate the keeping of chickens only. The keeping of any other types of poultry is prohibited.

17.01. No Roosters. No roosters are permitted. All chickens must be hens. If a permit holder inadvertently keeps a rooster, then that rooster must be removed within 48 hours of the discovery.

17.02. Limit. No more than six (6) chickens may be kept by any permit holder at any time, and no more than six (6) chickens total may be kept on a single lot regardless of how many permit holders there may be.

17.03. No nuisances. Chickens must not be kept in such a manner as to constitute a nuisance to the occupants of any adjacent property.

17.04. Storage. Chicken food is to be kept in containers designed to prohibit access by rodents and other pests. Chicken manure is to be contained in weather and pest-proof containers and removed or composted regularly. Chicken manure must not be allowed to accumulate in such a way as to cause any unsanitary condition or odors detectible on another property.

17.05. Deceased chickens. Dead chickens must be disposed of according to applicable law, and must be removed as soon as possible after death, but not later than 24 hours. Chickens kept under this section may not be slaughtered in the city.

17.06. Permits. A permit issued by the City is required to keep chickens. The permit application fee shall be set by the City Council. Permits shall have the same annual schedule as licenses issued under Section 5, above. The permit must state the number of chickens anticipated. No more than one permit may be issued per lot. A permit may only be issued if all adjoining property owners approve of the application in writing. "Adjoining property" means all properties within 50 feet of the proposed location of the coop.

Permits are non-transferable, and do not run with the property. Permits do not in any way create a vested zoning right, and are only a limited license issued by the city. No individual shall have a right to a permit.

As a condition of a permit, the applicant is authorizing the City to inspect the chickens and facility during normal City business hours, except that Law Enforcement is exempt from the normal business hours limitation.

17.07. Coops and Runs. Coops and Runs must be constructed and maintain in a way that satisfies the minimum standards established in this section.

A separate coop is required to house the chickens. A coop may not be attached to or located inside of any other structure, such as a home or garage. No more than one coop is permitted per lot. The coop and any run must be located in the rear yard of the property and comply with all setback requirements established by the City for any structure. Coops and Runs must not be placed in a utility easement.

A coop must be fully enclosed. A coop's maximum height shall not exceed six feet. The maximum total square area of the coop shall not exceed 24 square feet, and must have at least 4 square feet per chicken. A coop must be at least 24 inches off the ground or, alternatively, placed on a concrete pad. The coop must have sufficiently sized windows to permit natural light inside and windows must be able to be open for ventilation. Sufficient ventilation and insulation is required. Coop building materials and exterior colors shall be similar to or compatible with any primary structure on the premises. The coop must be kept well drained. The coop must be rodent and predator proof. Coop designs must meet basic humane needs of chickens, including heat, cooling, food, water, and protection from the elements.

Any Run must be attached to a coop. A run and coop together shall have a maximum area of 120 square feet. A run must be fenced in on all sides and include a roof. The height of the run fence shall not exceed six feet.

The coop must be removed within 30 days if the permit is revoked or allowed to expire.

SECTION 18. Penalties. Unless otherwise provided, violation of this ordinance is a misdemeanor punishable by a fine of up to \$1000.00 or imprisonment for up to 90 days. Violations of Sections 6, and 7 are petty misdemeanors punishable by a fine up to \$300.00. This ordinance repeals all previous ordinances.

Passed and adopted by the City Council this ____ day of _____, 2021.

REDWOOD COUNTY SHERIFF'S OFFICE

Randy Hanson, Sheriff

303 E. Third Street - PO Box 47
Redwood Falls, MN 56283-0047

Phone: 507-637-4036 Fax: 507-637-1348
Email: sheriff@co.redwood.mn.us

Date: 07/07/2021

To: City of Wabasso

From: Sheriff – Randy Hanson

RE: Activity for June 2021

During the month of June deputies performed regular patrol in the City of Wabasso. Below is a list of the calls the deputies responded to:

- **Responded to Call – Traffic – VW Speed (4)**
- **Responded to Call – Driving Complaint**
- **Responded to Call – Fraud (2)**
- **Responded to Call - Theft – (3)**
- **Responded to Call – Noise Complaint**
- **Responded to Call - Traffic – No license plate light**
- **Responded to Call - Theft – gas drive off**
- **Responded to Call - Assist Other**

If you have any questions, please feel free to contact me.

MINUTES of Wabasso Public Library Board of Trustees

Meeting date: June 8, 2021-5:30 pm

Call to order: 5:35 p.m.

Members in Attendance: Stacy Larsen, Dawn Guetter, Sarah Behrendt, Joyce Plaetz

Also in Attendance: Scott Sobocinski

Approval of Minutes: Motion to approve May meeting minutes by Guetter and seconded by Plaetz. Motion approved unanimously.

Bills: Motion to approve May bills by Plaetz and seconded by Behrendt. Motion approved unanimously.

Statistics: May 2021-1,028 items circulated (May 2020 was 932 items). May 2021-71 digital items were checked out.

Old Business:

- Extension of Library Hours
 - More people are visiting during the 9-10 AM period, with less during the 12-12:30 PM period. However, the 9-10 AM period is averaging only 2 people per day. Since the new hours just kicked in recently, this is to be expected. Library will continue to monitor traffic during these new times.

New Business:

- Policy Review
 - The Library's Mission Statement/Library Goals were approved with updates. Motion to approve made by Plaetz and seconded by Guetter. This was approved unanimously.
 - The Library's Personnel Policy was approved with updates, as well as the following change: Director also has added responsibility for programming, per #3 of "Services of Library" found in the Mission Statement. Motion to approve the updated policy, with changes, made by Guetter. Seconded by Behrendt. This was approved unanimously.
 - The Library Circulation of Material policy was approved with various changes. Motion to approve with changes by Larsen. Seconded by Plaetz. Motion carried unanimously.

Announcements/Discussion

- New Board Member
 - Sobocinski informed the Board that Karla Arends is willing to volunteer to join the Library Board since Alma Price has resigned. The Board agreed that Karla's nomination should be sent to the City Council.

Next Meeting: July 6, 2021 at 5:30 p.m.

Adjournment: 6:44 p.m. Motion by Larsen, second by Guetter. Motion was passed unanimously.

City of Wabasso
Payments

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Current Period: July 2021

Payments Batch 071221PAYGCLOW	\$56,002.50
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Refer	53816	NORTHSTAR TRUCK SALES	-
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Cash Payment	E 101-43100-500 Capital Outlay (GENERA	Snow Plow	\$56,002.50
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Invoice

Transaction Date	7/12/2021	General Checking	10100	Total	\$56,002.50
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Fund Summary

	10100	General Checking	
101 GENERAL FUND		\$56,002.50	
		\$56,002.50	

Pre-Written Checks	\$0.00
Checks to be Generated by the Computer	\$56,002.50
Total	\$56,002.50

City of Wabasso

Payments

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Current Period: July 2021

Payments Batch 071221PAYGC

\$45,384.09

Refer	1608	ALICE GIEFER	-		
Cash Payment	E 230-42153-311 Refunds	Service Fee Refund - Insurance Paid in Full		\$666.06	
Invoice					
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$666.06
Refer	1609	ARVIG COMMUNICATION SYSTEM	-		
Cash Payment	E 230-42153-321 Telephone	Telephone		\$100.46	
Invoice					
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$100.46
Refer	1610	BOUND TREE MEDICAL	-		
Cash Payment	E 230-42153-217 Other Operating Supplies	Operating Supplies		\$255.10	
Invoice	84045568				
Cash Payment	E 230-42153-217 Other Operating Supplies	Operating Supplies		\$1,216.25	
Invoice	84053947				
Cash Payment	E 230-42153-217 Other Operating Supplies	Operating Supplies		\$260.44	
Invoice	84119833				
Cash Payment	E 230-42153-217 Other Operating Supplies	Operating Supplies		\$20.58	
Invoice	84112693				
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$1,752.37
Refer	1611	CENTRACARE HEALTH	-		
Cash Payment	E 230-42153-211 ALS Intercept	ALS Intercept		\$200.00	
Invoice					
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$200.00
Refer	1612	MATHESON TRI-GAS INC	-		
Cash Payment	E 230-42153-217 Other Operating Supplies	Oxygen		\$114.98	
Invoice	23642722				
Cash Payment	E 230-42153-217 Other Operating Supplies	Oxygen		\$85.89	
Invoice	23705558				
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$200.87
Refer	1613	MEADOWLAND FARMERS CO-OP	-		
Cash Payment	E 230-42153-212 Motor Fuels	Fuel		\$380.13	
Invoice					
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$380.13
Refer	1614	RIDGEWATER COLLEGE	-		
Cash Payment	E 230-42153-208 Training and Instruction	BLS Training		\$800.00	
Invoice					
Transaction Date	7/7/2021	Fire Checking	10102	Total	\$800.00
Refer	1615	VERIZON WIRELESS	-		
Cash Payment	E 230-42153-321 Telephone	Cell Phone		\$106.45	
Invoice					
Transaction Date	7/7/2021	Ambulance Checking	10101	Total	\$106.45
Refer	3887	HEIMAN FIRE EQUIPMENT	-		
Cash Payment	E 225-42200-217 Other Operating Supplies	Operating Supplies/Uniforms		\$256.00	
Invoice					
Transaction Date	7/7/2021	Fire Checking	10102	Total	\$256.00

City of Wabasso Payments

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Current Period: July 2021

Refer	3888	JENNIGES GAS & DIESEL INC			
Cash Payment	E 225-42200-404	Repairs/Maint Machinery	Repairs and Maint		\$1,265.21
Invoice					
Transaction Date	7/7/2021	Fire Checking	10102	Total	\$1,265.21
Refer	3889	MEADOWLAND FARMERS CO-OP			
Cash Payment	E 225-42200-212	Motor Fuels	Fuel		\$358.30
Invoice					
Transaction Date	7/7/2021	Fire Checking	10102	Total	\$358.30
Refer	53782	ARVIG COMMUNICATION SYSTEM			
Cash Payment	E 602-49450-321	Telephone	Lift Station Alarm - 2324076		\$42.08
Invoice					
Cash Payment	E 601-49400-321	Telephone	Well Alarm - 2313338		\$46.98
Invoice					
Cash Payment	E 602-49450-321	Telephone	Sewer Plant - 2353506		\$103.20
Invoice					
Cash Payment	E 101-41400-321	Telephone	City Hall - 2332003		\$166.66
Invoice					
Cash Payment	E 101-41400-325	Fax Service	City Hall Fax - 2335084		\$41.13
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$400.05
Refer	53783	BAUNE PLUMBING & HEATING			
Cash Payment	E 101-45170-404	Repairs/Maint Machinery	Softball Field		\$86.10
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$86.10
Refer	53784	FALLS AUTOMOTIVE			
Cash Payment	E 101-43110-215	Shop Supplies	Shop Supplies		\$130.35
Invoice	759070				
Cash Payment	E 101-43110-215	Shop Supplies	Shop Supplies		\$31.74
Invoice	759603				
Transaction Date	7/7/2021	General Checking	10100	Total	\$162.09
Refer	53785	GRAMSTAD LUMBER COMPANY			
Cash Payment	E 101-45170-210	Operating Supplies (GEN	Field Chalk		\$329.78
Invoice					
Cash Payment	E 101-45180-210	Operating Supplies (GEN	Field Chalk		\$329.78
Invoice					
Cash Payment	E 101-43100-215	Shop Supplies	Supplies Credit		-\$136.23
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$523.33
Refer	53786	HAWKINS WATER TREATMENT GR			
Cash Payment	E 602-49450-216	Chemicals and Chem Pr	Chlorine Cylinder		\$10.00
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$10.00
Refer	53788	JENNIGES GAS & DIESEL INC			
Cash Payment	E 101-43100-404	Repairs/Maint Machinery	June Statement		\$2,693.97
Invoice					
Cash Payment	E 101-43100-404	Repairs/Maint Machinery	July Statement		\$916.64
Invoice					

City of Wabasso Payments

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Current Period: July 2021

Transaction Date	7/7/2021	General Checking	10100	Total	\$3,610.61
Refer	53789 JIM JENNIGES	-			
Cash Payment	E 101-43100-321 Telephone	Cell Phone			\$50.00
Invoice					
Cash Payment	E 101-43110-215 Shop Supplies	Supplies - Walmart			\$56.16
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$106.16
Refer	53790 JOHN DEERE FINAN	-			
Cash Payment	E 101-43100-604 Capital Lease Payment	Tractor Lease			\$10,247.68
Invoice					
Cash Payment	E 101-43100-217 Other Operating Supplies	Credit Account #1113-62217			-\$71.04
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$10,176.64
Refer	53791 KIBBLE EQUIPMENT	-			
Cash Payment	E 101-43100-217 Other Operating Supplies	Supplies			\$25.07
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$25.07
Refer	53792 LARRY THOMPSON	-			
Cash Payment	E 101-43100-321 Telephone	Cell Phone Reimb			\$50.00
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$50.00
Refer	53793 MARCO	-			
Cash Payment	E 101-41400-414 Data Processing Equip R	Copier Service			\$48.90
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$48.90
Refer	53794 MARCO, INC	-			
Cash Payment	E 101-41400-414 Data Processing Equip R	Copier Lease			\$130.39
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$130.39
Refer	53795 MATHESON TRI-GAS INC	-			
Cash Payment	E 101-43110-215 Shop Supplies	Acetylene Tank Lease			\$321.85
Invoice	23627729				
Cash Payment	E 101-43110-215 Shop Supplies	Acetylene			\$34.22
Invoice	34642723				
Transaction Date	7/7/2021	General Checking	10100	Total	\$356.07
Refer	53796 MEADOWLAND FARMERS CO-OP	-			
Cash Payment	E 101-43100-212 Motor Fuels	Acct. #2275			\$207.60
Invoice					
Cash Payment	E 101-45170-210 Operating Supplies (GEN	Acct. #2275			\$119.20
Invoice					
Cash Payment	E 101-43110-215 Shop Supplies	Acct. #2275			\$12.50
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$339.30
Refer	53797 MID-AMERICAN RESEARCH CHEM	-			
Cash Payment	E 601-49400-217 Other Operating Supplies	Cleaning Supplies - Water Plant			\$336.15
Invoice					

City of Wabasso

Payments

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Current Period: July 2021

Cash Payment	E 602-49450-210 Operating Supplies (GEN	Cleaning Supplies - Sewer Plant		\$336.14
Invoice				
Cash Payment	E 101-41940-210 Operating Supplies (GEN	Cleaning Supplies - Community Center		\$78.63
Invoice				
Cash Payment	E 101-45200-217 Other Operating Supplies	Cleaning Supplies - City Park		\$78.63
Invoice				
Cash Payment	E 101-45170-210 Operating Supplies (GEN	Cleaning Supplies - Athletic Fields		\$78.63
Invoice				
Cash Payment	E 101-45180-210 Operating Supplies (GEN	Cleaning Supplies - Baseball Field		\$78.63
Invoice				
Transaction Date	7/7/2021	General Checking	10100	Total \$986.81
Refer	53798	MN UI FUND		
Cash Payment	E 101-41400-430 Miscellaneous (GENERA	Unemployment Balance Due		\$4.73
Invoice				
Transaction Date	7/7/2021	General Checking	10100	Total \$4.73
Refer	53799	MVTL LABORATORIES		
Cash Payment	E 602-49450-387 Testing	Sewage Testing		\$106.49
Invoice	1091985			
Cash Payment	E 602-49450-387 Testing	Sewage Testing		\$232.49
Invoice	1094520			
Transaction Date	7/7/2021	General Checking	10100	Total \$338.98
Refer	53800	NORTHLAND TRUST SERVICES		
Cash Payment	E 602-49450-611 Bond Interest	\$254M GO Disposal Series 2016A		\$1,282.50
Invoice				
Cash Payment	E 602-49450-620 Fiscal Agent s Fees	\$254M GO Disposal Series 2016A		\$395.00
Invoice				
Cash Payment	E 379-47210-611 Bond Interest	\$555M GO TIF Refunding Series 2021A		\$3,985.00
Invoice				
Cash Payment	E 307-47210-611 Bond Interest	\$465M GO Water/Sewer Rev Refunding Series 2013A		\$3,230.00
Invoice				
Transaction Date	7/7/2021	General Checking	10100	Total \$8,892.50
Refer	53801	ONE OFFICE SOLUTION		
Cash Payment	E 101-41400-202 Duplicating and copying	Office Supplies		\$127.09
Invoice				
Transaction Date	7/7/2021	General Checking	10100	Total \$127.09
Refer	53802	PAUL PLAETZ		
Cash Payment	E 601-49400-321 Telephone	Cell Phone		\$25.00
Invoice				
Cash Payment	E 602-49450-321 Telephone	Cell Phone		\$25.00
Invoice				
Cash Payment	E 101-43100-331 Travel Expenses	Meals - Jim and Paul		\$20.44
Invoice				
Transaction Date	7/7/2021	General Checking	10100	Total \$70.44
Refer	53803	QUADIENT FINANCE USA, INC.		
Cash Payment	E 101-41400-322 Postage	Postage		\$273.45
Invoice				

City of Wabasso

Payments

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Transaction Date	7/7/2021	General Checking	10100	Total	\$273.45
Refer	53804 R & E SANITATION INC	-			
Cash Payment	E 603-49500-384 Refuse/Garbage Dispos	375 June St.			\$50.11
Invoice					
Cash Payment	E 603-49500-315 Sales Tax	375 June St.			\$4.89
Invoice					
Cash Payment	E 603-49500-384 Refuse/Garbage Dispos	Josh Hadley			\$328.12
Invoice					
Cash Payment	E 603-49500-315 Sales Tax	Josh Hadley			\$31.99
Invoice					
Cash Payment	E 603-49500-384 Refuse/Garbage Dispos	Geske/Baune			\$118.45
Invoice					
Cash Payment	E 603-49500-315 Sales Tax	Service Fee - Dumpsters			\$11.55
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$545.11
Refer	53805 REDWOOD CO SHERIFFS OFFICE	-			
Cash Payment	E 101-42100-306 Service Contract	Service Contract - June			\$3,375.00
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$3,375.00
Refer	53806 ROADHOUSE BAR & GRILL	-			
Cash Payment	E 101-41400-437 Other Miscellaneous	Meal for Planning committee			\$39.15
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$39.15
Refer	53807 RSS GROUP INTERNATIONAL INC	-			
Cash Payment	E 101-43110-215 Shop Supplies	Shop Supplies			\$372.03
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$372.03
Refer	53808 RUNNING SUPPLY INC	-			
Cash Payment	E 101-43110-215 Shop Supplies	Welder Diffuser			\$68.44
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$68.44
Refer	53809 SALFER WELDING & MFG	-			
Cash Payment	E 101-43110-215 Shop Supplies	Welder Diffuser			\$37.32
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$37.32
Refer	53810 SOUTHWEST SANITATION, INC	-			
Cash Payment	E 603-49500-384 Refuse/Garbage Dispos	Service Contract			\$2,397.15
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$2,397.15
Refer	53811 TEAM LABORATORY CHEMICAL	-			
Cash Payment	E 101-43100-216 Chemicals and Chem Pr	Chemicals - Streets			\$553.00
Invoice 26166					
Cash Payment	E 601-49400-216 Chemicals and Chem Pr	Chemicals - Water			\$457.75
Invoice 26167					
Cash Payment	E 602-49450-216 Chemicals and Chem Pr	Chemicals - Sewer			\$0.00
Invoice 2167					

City of Wabasso Payments

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Transaction Date	7/7/2021	General Checking	10100	Total	\$1,010.75
Refer	53812 TECH UNLIMITED, LLC	-			
Cash Payment	E 101-41400-306 Service Contract	Computer Service - 100 Hr. Block			\$1,500.00
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$1,500.00
Refer	53813 TURBES AG SALES AND SERVICE	-			
Cash Payment	E 101-43100-221 Equipment Parts	Parts - Pressure Washer			\$72.00
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$72.00
Refer	53814 VISA	-			
Cash Payment	E 101-41940-210 Operating Supplies (GEN	Community Center Cleaning			\$39.49
Invoice					
Cash Payment	E 101-45200-217 Other Operating Supplies	Parks Cleaning			\$39.49
Invoice					
Cash Payment	E 101-45170-210 Operating Supplies (GEN	Athletic Fields Cleaning			\$39.49
Invoice					
Cash Payment	E 101-45180-210 Operating Supplies (GEN	Baseball Field Cleaning			\$39.49
Invoice					
Cash Payment	E 101-43110-215 Shop Supplies	Shop Supplies			\$100.42
Invoice					
Cash Payment	E 101-43110-215 Shop Supplies	Shop Supplies			\$487.93
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$746.31
Refer	53815 WABASSO FIREMENS RELIEF	-			
Cash Payment	E 101-49000-422 Fire Relief	State Fire Relief Aid			\$2,416.27
Invoice					
Transaction Date	7/7/2021	General Checking	10100	Total	\$2,416.27

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Fund Summary

	10100 General Checking	
101 GENERAL FUND		\$25,742.20
307 2013 REFUNDING BONDS		\$3,230.00
379 TIF 1-5 2005A TIF BONDS		\$3,985.00
601 WATER FUND		\$865.88
602 SEWER FUND		\$2,532.90
603 REFUSE (GARBAGE) FUND		\$2,942.26
		<hr/>
		\$39,298.24
	10101 Ambulance Checking	
230 AMBULANCE		\$3,406.34
		<hr/>
		\$3,406.34
	10102 Fire Checking	
225 FIRE		\$1,879.51
230 AMBULANCE		\$800.00
		<hr/>
		\$2,679.51

Pre-Written Checks	\$0.00
Checks to be Generated by the Computer	\$45,384.09
	<hr/>
Total	\$45,384.09

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Checks for Month

June 2021

0100 General Checking Begin Mth \$690,593.93

CHECK	Vendor Name	Check Date	Check Amt	Source	Comment	Balance
Deposit	20210601UB0	6/1/2021	\$2,087.54	20210601UB0	UB Receipt Serv 1 Water R	\$692,681.47
053718	Plaetz, Paul	6/2/2021	-\$1,555.15	PAY20210111.00		\$691,126.32
053720	Rothmeier, Julie	6/2/2021	-\$182.60	PAY20210111.00		\$690,943.72
053721	Thompson, Larry	6/2/2021	-\$1,714.09	PAY20210111.00		\$689,229.63
053715	Jenniges, Jim M	6/2/2021	-\$1,412.74	PAY20210111.00		\$687,816.89
053717	Lensing, Gary J.	6/2/2021	-\$472.46	PAY20210111.00		\$687,344.43
053716	Lanoue, Becky J	6/2/2021	-\$20.77	PAY20210111.00		\$687,323.66
Deposit	060221REC	6/2/2021	\$35.00	060221REC		\$687,358.66
Deposit	20210602UB0	6/2/2021	\$1,748.39	20210602UB0	UB Receipt Serv 1 Water R	\$689,107.05
053719	Remiger, Mike	6/2/2021	-\$1,548.52	PAY20210111.00		\$687,558.53
Deposit	20210603UB0	6/3/2021	\$1,622.31	20210603UB0	UB Receipt Serv 1 Water R	\$689,180.84
Deposit	20210604UB0	6/4/2021	\$945.19	20210604UB0	UB Receipt Serv 1 Water R	\$690,126.03
053722	TRACY PISTULKA	6/4/2021	-\$100.00	060421PAYPIST	TRACY PISTULKA - DAMA	\$690,026.03
Deposit	20210607UB0	6/7/2021	\$2,008.15	20210607UB0	UB Receipt Serv 1 Water R	\$692,034.18
Deposit	060821RECDUMPSTER	6/8/2021	\$186.58	060821RECDUM	Dumpster Rental	\$692,220.76
Deposit	20210608UB	6/9/2021	\$2,296.98	20210608UB	UB Receipt Serv 33 Garba	\$694,517.74
Deposit	20210609ub	6/9/2021	\$995.64	20210609ub	UB Receipt Surt 2 Comme	\$695,513.38
053740	MEADOWLAND FARMERS C	6/14/2021	-\$748.30	060921PAYGCFI	Football/Softball Field	\$694,765.08
053741	MN DEPT OF HEALTH	6/14/2021	-\$742.00	060921PAYGCFI	Water Connection Fee	\$694,023.08
053742	MVTL LABORATORIES	6/14/2021	-\$305.60	060921PAYGCFI	Testing	\$693,717.48
053743	NORTHERN BUSINESS PRO	6/14/2021	-\$17.59	060921PAYGCFI	Council Name Plate	\$693,699.89
053744	ONE OFFICE SOLUTION	6/14/2021	-\$47.13	060921PAYGCFI	Copier Paper	\$693,652.76
053745	PAUL PLAETZ	6/14/2021	-\$241.21	060921PAYGCFI	Cell Phone	\$693,411.55
053753	SALFER WELDING & MFG	6/14/2021	-\$1,447.30	060921PAYGCFI	Snowblower Repair	\$691,964.25
053747	R & E SANITATION INC	6/14/2021	-\$192.07	060921PAYGCFI	Dumpster Fees	\$691,772.18
053729	GOPHER STATE ONE CALL	6/14/2021	-\$12.15	060921PAYGCFI	One Call	\$691,760.03
053748	REDWOOD CO SHERIFFS O	6/14/2021	-\$8,785.00	060921PAYGCFI	Service Contract	\$682,975.03
053749	REDWOOD ELECTRIC COOP	6/14/2021	-\$5,222.00	060921PAYGCFI	Sign 99865809	\$677,753.03
053750	RSS GROUP INTERNATIONA	6/14/2021	-\$926.50	060921PAYGCFI	Miscellaneous Bolts and Fa	\$676,826.53
053751	RUNNING SUPPLY INC	6/14/2021	-\$676.48	060921PAYGCFI	Shop Supplies	\$676,150.05
053752	RYANS COMPUTERS	6/14/2021	-\$685.00	060921PAYGCFI	Jim Jenniges Computer	\$675,465.05
053739	MATHESON TRI-GAS INC	6/14/2021	-\$33.35	060921PAYGCFI	Acetylene	\$675,431.70
053746	QUALITY FLOW SYSTEMS IN	6/14/2021	-\$450.00	060921PAYGCFI	Lift Stations Inspection	\$674,981.70
053730	HAWKINS WATER TREATME	6/14/2021	-\$3,120.14	060921PAYGCFI	Chemicals	\$671,861.56
053723	ANDERSON ELECTRIC	6/14/2021	-\$1,429.49	060921PAYGCFI	Electrical Work at Parks	\$670,432.07
053724	ARVIG COMMUNICATION SY	6/14/2021	-\$392.25	060921PAYGCFI	Lift Station	\$670,039.82
053725	BAUNE PLUMBING & HEATIN	6/14/2021	\$0.00	Voided Ck	Faucet Repair at Park	\$670,039.82
053726	CARLSON & STEWART REF	6/14/2021	-\$404.20	060921PAYGCFI	Repair Freezer in Communi	\$669,635.62
053727	ELECTRIC MOTOR COMPAN	6/14/2021	-\$1,547.86	060921PAYGCFI	Hand Tools Shop	\$668,087.76
053731	JENNIGES GAS & DIESEL IN	6/14/2021	-\$485.11	060921PAYGCFI	Batteries for Siren	\$667,602.65
053756	SOUTHWEST GLAASS CENT	6/14/2021	-\$1,188.78	060921PAYGCFI	Replace Glass/New Locks	\$666,413.87
053738	MARCO, INC	6/14/2021	-\$278.64	060921PAYGCFI	Copier Rental	\$666,135.23
053732	JIM JENNIGES	6/14/2021	-\$241.29	060921PAYGCFI	Cell Phone	\$665,893.94
053733	JONTI-CRAFT	6/14/2021	-\$8,238.33	060921PAYGCFI	February TIF 1-3 Payment	\$657,655.61
053734	KIBBLE EQUIPMENT	6/14/2021	-\$7,353.90	060921PAYGCFI	Lawnmower	\$650,301.71
053735	KINNER & COMPANY	6/14/2021	-\$2,350.00	060921PAYGCFI	Accounting Services	\$647,951.71
053736	LARRY THOMPSON	6/14/2021	-\$84.50	060921PAYGCFI	Cell Phone	\$647,867.21
053737	MARCO	6/14/2021	-\$38.75	060921PAYGCFI	Copier Repair	\$647,828.46
053728	FALLS AUTOMOTIVE	6/14/2021	-\$63.08	060921PAYGCFI	Shop Supplies	\$647,765.38
Deposit	061421RECCAMB	6/14/2021	\$345.00	061421RECCCA	Community Center	\$648,110.38
053757	SOUTHWEST SANITATION, I	6/14/2021	-\$9.67	060921PAYGCFI	Service Contract	\$648,100.71
053758	TURBES AG SALES AND SE	6/14/2021	-\$122.00	060921PAYGCFI	Lawnmower Tires	\$647,978.71
053759	VICTOR HIRSCH LEGION PO	6/14/2021	-\$20.00	060921PAYGCFI	Community Center Flag	\$647,958.71
053760	VISA	6/14/2021	-\$595.26	060921PAYGCFI	Street Sweeping broom he	\$647,363.45
Deposit	20210614UB0	6/14/2021	\$2,862.92	20210614UB0	UB Receipt Serv 1 Water R	\$650,226.37
053755	SOUTHERN MN NEWSPAPE	6/14/2021	-\$1,682.98	060921PAYGCFI	Legal Notice - CCR Report	\$648,543.39
053754	SALFERS FOOD CENTER	6/14/2021	-\$54.73	060921PAYGCFI	Cleaning Supplies	\$648,488.66
Deposit	20210615UB0	6/15/2021	\$1,175.61	20210615UB0	UB Receipt Serv 1 Water R	\$649,664.27
Deposit	061521RECGCAMB	6/15/2021	\$76.50	061521RECGCA	Dog License	\$649,740.77

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Checks for Month

June 2021

0100 General Checking Begin Mth \$690,593.93

CHECK	Vendor Name	Check Date	Check Amt	Source	Comment	Balance
053763	Lensing, Gary J.	6/16/2021	-\$308.06	PAY20210112.00		\$649,432.71
053761	Jenniges, Jim M	6/16/2021	-\$1,412.74	PAY20210112.00		\$648,019.97
053767	Thompson, Larry	6/16/2021	-\$1,714.09	PAY20210112.00		\$646,305.88
053766	Rothmeier, Julie	6/16/2021	-\$73.41	PAY20210112.00		\$646,232.47
053764	Plaetz, Paul	6/16/2021	-\$1,555.15	PAY20210112.00		\$644,677.32
053765	Remiger, Mike	6/16/2021	-\$161.52	PAY20210112.00		\$644,515.80
053762	Lanoue, Becky J	6/16/2021	-\$44.16	PAY20210112.00		\$644,471.64
053768	LMCIT BERKLEY RISK SERVI	6/17/2021	-\$48.57	061721PAYLMCI	Workers Comp - 2021 Audi	\$644,423.07
Deposit	20210617UB0	6/17/2021	\$1,285.93	20210617UB0	UB Receipt Serv 1 Water R	\$645,709.00
Deposit	20210617UB02	6/17/2021	\$1,181.78	20210617UB02	UB Receipt Serv 1 Water R	\$646,890.78
053769	MN RURAL WATER ASSOCIA	6/17/2021	-\$320.00	061721PAYMRW	Annual Dues	\$646,570.78
Deposit	20210621UB0	6/21/2021	\$2,379.76	20210621UB0	UB Receipt Serv 1 Water R	\$648,950.54
Deposit	062121RECTAXSETTLE	6/21/2021	\$324,656.99	062121RECTAXS	June Tax Settlement	\$973,607.53
Deposit	20210622UB0	6/22/2021	\$734.85	20210622UB0	UB Receipt Serv 1 Water R	\$974,342.38
Deposit	20210623UB0	6/23/2021	\$260.39	20210623UB0	UB Receipt Serv 1 Water R	\$974,602.77
Deposit	20210623UB1	6/23/2021	\$8,601.01	20210623UB1	UB Receipt Serv 1 Water R	\$983,203.78
053774	Baumann, Roger	6/24/2021	-\$323.22	PAY20210202.00		\$982,880.56
053775	Burns, Steve	6/24/2021	-\$323.22	PAY20210202.00		\$982,557.34
053777	Olson, Jeff	6/24/2021	-\$323.22	PAY20210202.00		\$982,234.12
053778	Saffer, Brad	6/24/2021	-\$300.14	PAY20210202.00		\$981,933.98
Deposit	20210624UB0	6/24/2021	\$381.05	20210624UB0	UB Receipt Serv 1 Water R	\$982,315.03
Deposit	062421RECLLAM	6/24/2021	\$2,400.00	062421RECLLAM	Liquor License	\$984,715.03
053773	Atkins, Carol	6/24/2021	-\$415.57	PAY20210202.00		\$984,299.46
053776	McKittrick, Wade	6/24/2021	-\$23.09	PAY20210202.00		\$984,276.37
Deposit	20210625UB0	6/25/2021	\$761.77	20210625UB0	UB Receipt Serv 1 Water R	\$985,038.14
Deposit	20210628UB0	6/28/2021	\$1,780.56	20210628UB0	UB Receipt Serv 1 Water R	\$986,818.70
Deposit	062921RECCCAMBDEW	6/29/2021	\$565.00	062921RECCCA	Community Center Rental	\$987,383.70
Deposit	20210629UB0	6/29/2021	\$689.59	20210629UB0	UB Receipt Serv 1 Water R	\$988,073.29
053771	Lanoue, Becky J	6/30/2021	-\$46.76	PAY20210113.00		\$988,026.53
053787	Lensing, Gary J.	6/30/2021	-\$21.83	PAY20210113.01		\$988,004.70
Deposit	06302021	6/30/2021	\$22.50	06302021		\$988,027.20
053772	Lensing, Gary J.	6/30/2021	-\$237.23	PAY20210113.00		\$987,789.97
053770	Jenniges, Jim M	6/30/2021	-\$1,412.74	PAY20210113.00		\$986,377.23
053781	Thompson, Larry	6/30/2021	-\$1,714.09	PAY20210113.00		\$984,663.14
Deposit	20210630UB0	6/30/2021	\$670.56	20210630UB0	UB Receipt Serv 1 Water R	\$985,333.70
053779	Plaetz, Paul	6/30/2021	-\$1,555.15	PAY20210113.00		\$983,778.55
053780	Rothmeier, Julie	6/30/2021	-\$73.41	PAY20210113.00		\$983,705.14
Deposits		\$362,757.55				
Checks		-\$69,646.34				
			\$293,111.21			

FILTER: [Cash Act]='10100' and [Period]=6 and [Act Year]='2021'

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Checks for Month

June 2021

1 Ambulance Checking Begin Mth \$80,635.37

CHECK	Vendor Name	Check Date	Check Amt	Source	Comment	Balance
Deposit	060121REC	6/1/2021	\$808.12	060121REC	Anna Kretsch, 2 for Mike H	\$81,444.49
001604	MN DEPT OF HUMAN SERVI	6/14/2021	-\$2,549.00	061521PAYAMB	Ambulance Supplemental	\$78,895.49
001596	ACTION RADIO & COMMUNI	6/14/2021	-\$276.00	060921PAYGCFI	Batteries	\$78,619.49
001597	ARVIG COMMUNICATION SY	6/14/2021	-\$96.45	060921PAYGCFI	Telephone	\$78,523.04
001598	CENTRACARE HEALTH	6/14/2021	-\$1,200.00	060921PAYGCFI	ALS Intercept	\$77,323.04
001599	EFAX CORPORATE	6/14/2021	-\$78.46	060921PAYGCFI	Fax Services	\$77,244.58
001600	EXPERT T BILLING	6/14/2021	-\$651.00	060921PAYGCFI	Billing Services	\$76,593.58
001601	JENNIGES GAS & DIESEL IN	6/14/2021	-\$84.00	060921PAYGCFI	Repairs and Maintenance	\$76,509.58
001603	MEADOWLAND FARMERS C	6/14/2021	-\$551.68	060921PAYGCFI	Fuel	\$75,957.90
001605	NORTH MEMORIAL AMBULA	6/14/2021	-\$450.00	060921PAYGCFI	ALS Intercept	\$75,507.90
001606	SOUTHERN MN EMS EDUCA	6/14/2021	-\$3,250.00	060921PAYGCFI	EMT Training	\$72,257.90
001607	VERIZON WIRELESS	6/14/2021	-\$106.45	060921PAYGCFI	Cell Phone	\$72,151.45
001602	MATHESON TRI-GAS INC	6/14/2021	-\$207.51	060921PAYGCFI	Oxygen	\$71,943.94
Deposit	061521RECGCMB	6/15/2021	\$1,359.55	061521RECGCA	Service Fees	\$73,303.49
Deposit	062421RECLAMB	6/24/2021	\$810.93	062421RECLAM	BLS - William McClung	\$74,114.42
Deposit	062821RECAMB	6/28/2021	\$2,142.69	062821RECAMB	BLS Service Fee - Alice Gi	\$76,257.11
Deposit	062921RECCAMBDEW	6/29/2021	\$500.00	062921RECCCA	Donation - Darrel Baune	\$76,757.11
Deposit	06302021	6/30/2021	\$870.00	06302021	pizza sales	\$77,627.11
	Deposits		\$6,491.29			
	Checks		-\$9,500.55			

FILTER: [Cash Act]='10101' and [Period]=6 and [Act Year]='2021'

City of Wabasso

07/07/21 4:40 PM

Page 1

Checks for Month

June 2021

10102 Fire Checking Begin Mth \$53,568.27

CHECK	Vendor Name	Check Date	Check Amt	Source	Comment	Balance
003886	TROY WELCH	6/14/2021	-\$127.41	060921PAYGCFI	Reimb. For SCBA Batteries	\$53,440.86
003885	SOUTHWEST REGIONAL FIR	6/14/2021	-\$60.00	060921PAYGCFI	2021 Annual Dues	\$53,380.86
003884	MEADOWLAND FARMERS C	6/14/2021	-\$154.63	060921PAYGCFI	Fuel	\$53,226.23
003883	JENNIGES GAS & DIESEL IN	6/14/2021	-\$580.33	060921PAYGCFI	Repairs and Maintenance	\$52,645.90
003882	HEIMAN FIRE EQUIPMENT	6/14/2021	-\$400.00	060921PAYGCFI	Uniforms	\$52,245.90
	Deposits		\$0.00			
	Checks		-\$1,322.37			

FILTER: [Cash Act]='10102' and [Period]=6 and [Act Year]='2021'

City of Wabasso
City Council
Monday, June 14, 2021
6pm

The meeting opened with the recitation of the Pledge of Allegiance.

Mayor Atkins called the meeting to order with Council members Roger Baumann, Jeff Olson, and Brad Salfer present. Member Steve Burns was absent.

Clerk/Treasurer/Administrator Larry Thompson, Street Maintenance Supervisor Jim Jenniges, Water and Sewer Superintendent Paul Plaetz, EDC President Pat Eichten and City Attorney Matt Novak.

Motion by Salfer, second by Olson to approve the agenda with the following changes:

- Add Library Board appointment.
- Remove Bill Geske building permit.
- Add Booster Club discussion.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

EDA President presented the EDA reports:

- Work is continuing with the rental policy and lease agreement and should be approved at the next meeting.
- Strategic Plan – Planning committee held its first meeting on June 9th.
- Duplex – (See 6/2/2021 EDA Minutes)

Clerk/Treas/Adm Report - The 2020 Financial Audit will be on the July 12, 2021, Council agenda.

Street Report –

- **Street Patching** – Patching will begin at the end of June. Cedar St. has been removed due to LRIP Grant and repairs will be moved to other areas.
- **Decommissioned Equipment** - Motion by Olson, second by Baumann to adopt **Resolution No. 10** decommissioning various equipment.
Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.
- **Tractor bid and snowplow.** Mr. Thompson submitted a financial plan to pay for the purchase of the tractor, which would be included in a budget report/amendment to be presented in July or August. The council discussed the merits of a lease vs. purchase and extended warranty. It was the consensus that the tractor be replaced once every two years. Mr. Jenniges stated it was his intention to put a plow on the one ton and use it to plow snow which would allow the city to reduce to one dump truck. He and Mr. Plaetz are looking for a replacement dump truck and hope to have one purchased by this snow season for approximately \$50,000. Motion by Olson, second by Baumann, to approve the purchase of the tractor from Kibble Equipment for \$29,500 with trade, and to purchase the “poly” snowplow plus attachments for the one ton truck for \$11,443.21.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

- **LRIP Grant** – Mr. Thompson informed the council that the city had received a MnDOT LRIP grant of \$1,250,000 for Cedar Street. Estimated cost of the project is \$2,200,000. The balance would be made up through a combination of assessments and borrowing. A full presentation will be given at the July meeting.
- **CDL Update** - Mr. Jenniges stated he is in the process of obtaining his CDL.
- **Storage Containers** - Motion by Baumann, second by Salfer to approve the purchase of bulk storage containers.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Water/Wastewater Report:

- **Hydrant flushing** - completed.
- **Sewer Rehab Project.** Nothing new to report.
- **Lift Stations** were inspected. Water was found in the motor and the bearings are worn. Can be repaired for \$3,500 or replaced \$6,800. Motion by Olson, second by Salfer, to purchase a new pump for the lift station.
Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.
- **Water Tower Maintenance** – Mr. Plaetz presented an agreement for water tower maintenance with Suez Utility Service Co., Inc. Mr. Plaetz noted that the agreement would schedule major maintenance projects and cover routine maintenance. Mr. Thompson noted that this service had been discussed during the 2021 budget deliberations and was included in the 2021 budget. Motion by Olson, second by Baumann to approve the water tower maintenance agreement with Suez Utility Service Co., Inc. as presented.
Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Consent Agenda. Motion by Olson, second by Salfer to approve the consent agenda as follows:

- Approve minutes of the May 10, 2021, regular meeting
- Approve fireworks permit for the Lion's Club – 6/23/2021 (BBQ)
- Approve building permit – Alex Schroepfer – 971 North St – Concrete work.
- Approve building permit – Pete Kidrowski – 560 South St. – Privacy fence.
- Approve building permit – Bob and Connie Kemper – 838 Pine St. - Patio
- Approve building permit – Todd Horkey – 1458 Elm St. – Handrails for front deck.
- Approve sharing costs (50%) with EDA for strategic planning.
- Approve temporary beer license – Baseball Association – July
- Lion's Club Liquor License – License to include all city facilities at 1429 Front Street including baseball field.
- Approve City Clerk vacation – 7/22/21 through 7/27/21.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Animal Control Ordinance – Mr. Novak presented a draft of the revised Animal Control Ordinance. Mr. Novak noted that the ordinance was mostly the same as the current ordinance except:

- Fees would be set by resolution of the City Council.
- No dog kennels would be allowed.

- Clearer language relating to litter clean up with separate fines
- Permitting of chickens

Mr. Olson stated he would like to see the rabies vaccination language included as part of the permitting process and to distinguish license fees between neutered and unneutered animals. The second draft will be on the next meeting agenda.

COVID-19 ARPA Funding – Mr. Thompson presented an update on the 2021 COVID-19 relief aid noting that it was anticipated the city would receive approximately \$73,000. The Treasury Department had issued its guidelines which were more flexible than the 2020 funding. Mr. Thompson indicated he already had received a number of requests and the council should forward any ideas to him. The city council first needs to accept the grant and then it will need to decide how it wishes to use the funds. Motion by Olson, second by Salfer to adopt **Resolution No. 11** to accept the Coronavirus Local Recover Funds established under the American Rescue Plan Act.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Civil Defense Coordinator – Motion by Salfer, second by Baumann, to appoint Scott Mann as a Civil Defense Coordinator.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Library Board Appointment - Motion by Olson, second by Salfer to appoint Karla Arends to fill the remaining term of Alma Price on the Library Board of Trustees.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Booster Cub – Mr. Olson stated he had been approached by the Wabasso Area Booster's Club to use the city's sprayer to paint the maroon W's. Mr. Plaetz suggested they use the school's sprayer as the project is mostly under the guidance of the school.

Bills – Motion by Salfer, second by Bauman, to approve the bills as submitted with the following changes:

- Sheriff's Service Contract fee should be \$8,875.00
- Salfer's Food should be \$54.73.
- Add payment to Minnesota Department of Human Services for Ambulance SWIFT - \$2,549.00

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Motion by Salfer, second by Olson to adjourn at 7:25 p.m.

Atkins-yes; Baumann-yes; Olson-yes; Salfer-yes.

Larry J Thompson

City Clerk/Treas./Administrator

THIS FORM MUST BE ACCOMPANIED BY OVERHEAD PICTURE OF
PROPERTY WITH PROJECT DRAWN ON IT. THIS IS TO SHOW LOCATION
OF PROJECT RELATIVE TO PROPERTY LINES.

The overhead picture may be obtained through City Office or
Beacon on the Redwood County website or other similar site.

Name: Brian Baune

Address: 2027 Perry St.

Phone Number: 507-430-0753 Alternate Phone: _____

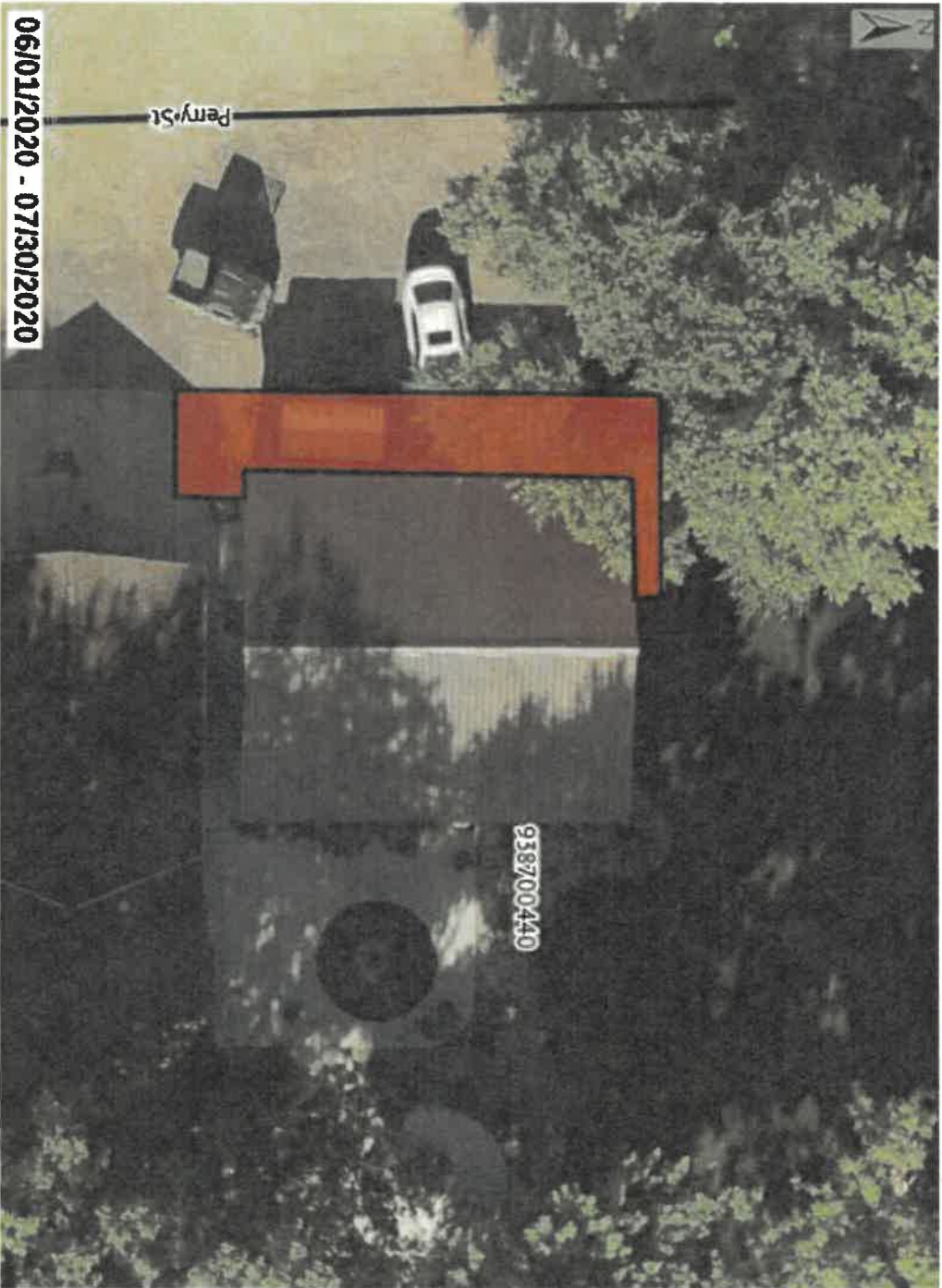
E-Mail _____

Signature of Property Owner Linda Baune

Project Permit Needed For Install concrete slab in front of youse

Estimated Cost of Project: \$4,000

Signature of adjoining property owners if project will be closer than 10 feet from side or
back property line



RESOLUTION No. ____-2021

**A RESOLUTION REVISING 2021 WABASSO
CITY FEES AND CHARGES**

WHEREAS, the Wabasso City Council has by ordinance or policy established fees and charges for various services or ordinance violations, and

WHEREAS, it is in the interest of the City to review and adopt these charges on an annual basis, and

WHEREAS, the City Council set 2021 Fees by adoption of Resolution No. 1-2021, and

WHEREAS, it was the intent of the Council that the sewer rates were to be increased by 10% effective January 1, 2021, and

WHEREAS, it was recently noted that the sewer and water rates were in advertently transposed in the resolution, and

WHEREAS, the rates were changed on January 1, 2021 by increasing the sewer base and flow rates by 10% and no increase in the water base and flow rates which reflected the intent of the Council.

NOW, THEREFORE, the Wabasso City Council adopts the revised schedule of 2021 City fees and charges as noted in Attachments A and B, and acknowledges that these rates are effective as of January 1, 2021.

Adopted by the City Council on July 12, 2021.

Carol, Atkins Mayor

Attest:

Larry J Thompson, City Clerk

CITY OF WABASSO
2021 CITY FEES AND CHARGES
REVISED 7/12/21

Attachment A

UTILITIES	2020	2021
Sewer		
Base Rate:	\$ 29.75	\$ 32.73 /Month
Flow Rate:	\$ 3.76	\$ 4.14 /1,000 Gallons
Access Charge:	\$800.00	\$ 800.00 /New Service Connection
Water		
Base Rate:	\$ 29.23	\$ 29.23 /Month
Flow Rate:	\$ 5.95	\$ 5.95 /1,000 Gallons
Access Charge:	\$ 1,600.00	\$ 1,600.00 /New Service Connection
Seasonal Shutoff	\$ 35.00	\$ 35.00
Delinquency Shutoff	\$ 100.00	\$ 100.00
Sanitation		
35 Gallon	\$ 9.82	\$ 9.82
65 Gallon	\$ 11.99	\$ 11.99
95 Gallon	\$ 14.70	\$ 14.70
Dumpster 1 1/2 Yd.	\$ 71.34	\$ 71.34
Dumpster 4 Yd.	\$ 93.29	\$ 93.29
Dumpster 6 Yd.	\$ 115.24	\$ 115.24
AMBULANCE		
ALS	\$ 1,300.00	\$ 1,300.00
BLS	\$ 1,000.00	\$ 1,000.00
Mileage	\$ 20.00	\$ 20.00
BEGINNING CONSTRUCTION WITHOUT A PERMIT		
Surcharge	\$ 350.00	\$ 350.00
COMMUNITY CENTER (See Attachment B)		
FIRE		
Fire Call	\$ 750.00	\$ 750.00
Accident Call	\$ 324.00	\$ 324.00
Control Burn - CRP Burn	\$ 30.00	\$ 30.00
Control Burn - Other	Fee based on type and size	
STREET		
Snow Ord. Violation	\$ 120.00	\$ 120.00
School Parking Lot	\$ 75.00	\$ 75.00
Mowing	\$ 75.00	\$ 75.00
LIQUOR, BEER AND CLUB		
Liquor On-Sale	\$ 900.00	\$ 900.00
Sunday On - Sale	\$ 200.00	\$ 200.00
Liquor Off-Sale	\$ 100.00	\$ 100.00
Beer On-Sale	\$ 75.00	\$ 75.00
Temp. Beer On-Sale	\$ 10.00	\$ 10.00
Tem. Liquor On-Sale	\$ 25.00	\$ 25.00
MISCELLANEOUS		
Golf Cart	\$ 20.00	\$ 20.00
Animal	\$ 5.00	\$ 5.00
Animal	\$ 25.00	\$ 25.00

Wabasso Community Center**Community Center Rates****For Weddings:**

For 2 days	\$	300.00
Additional day	\$	100.00
Clean up	\$	200.00
damage deposit	\$	100.00

Nonrefundable Fee to hold date for wedding \$ 100.00

Contracts need to be returned within 90 days of
being received with the hold fee

Payment in full is due 90 days prior to event

All other events:

Rent of Rooms	A	\$	35.00
	B	\$	45.00
	C	\$	35.00
	D	\$	35.00
	K	\$	40.00
	K 2	\$	40.00

Clean up	A	\$	45.00
	B	\$	55.00
	C	\$	45.00
	D	\$	45.00

entire facility \$ 200.00

Damage deposit for all \$ 100.00

Set Up \$40 per 100 guests up to \$150

Free users cleanup fee if needed \$25.00 per hour

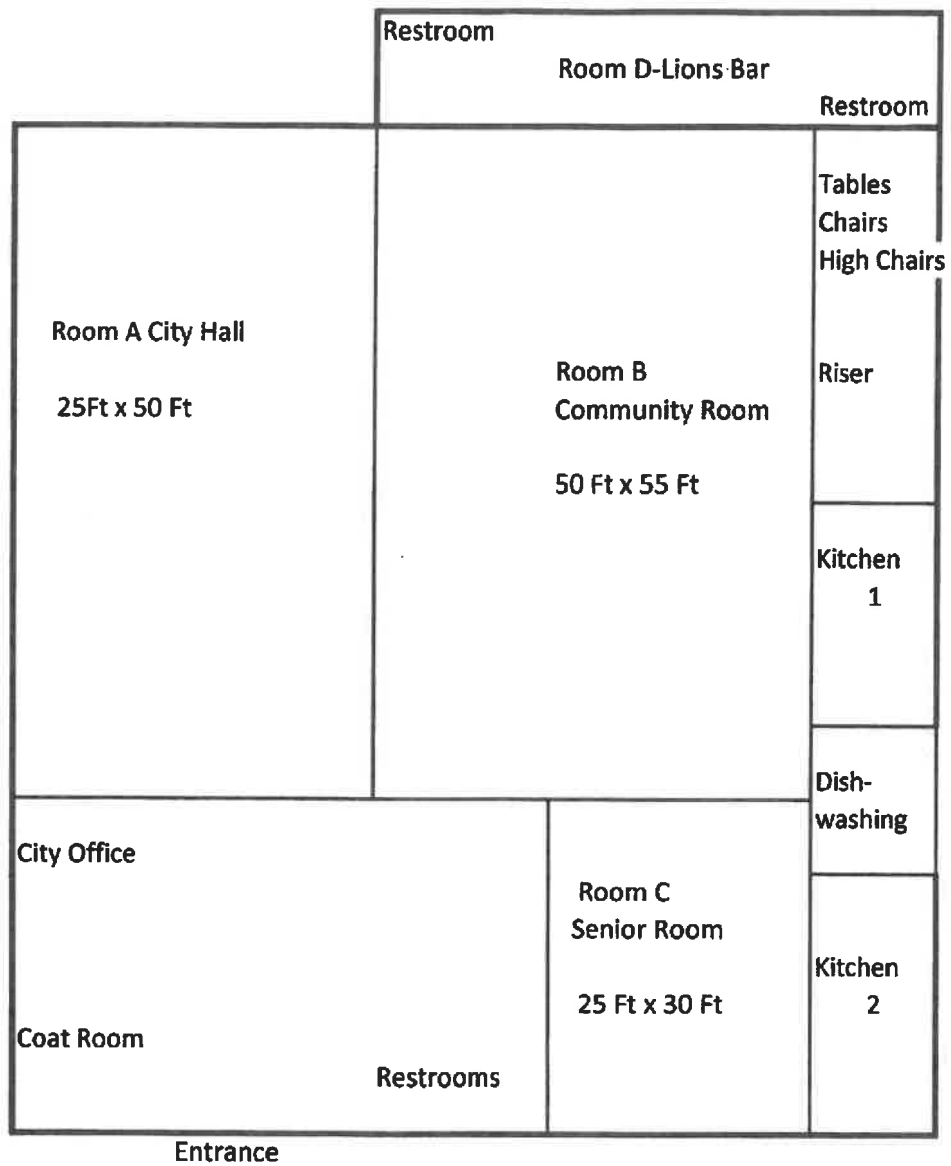
Contracts need to be returned to the appropriate parties as stated
on contracts:

Events with Lions Bar: minimum of 30 days prior to event

Events without Lions Bar: minimum of 10 days prior to event

Signed contracts needed for all events that involve the raising of funds

ATTACHMENT B



THIS FORM MUST BE ACCOMPANIED BY OVERHEAD PICTURE OF
PROPERTY WITH PROJECT DRAWN ON IT. THIS IS TO SHOW LOCATION
OF PROJECT RELATIVE TO PROPERTY LINES.

The overhead picture may be obtained through City Office or
Beacon on the Redwood County website or other similar site.

Name: COLE ALTERMATT

Address: 689 MAPLE ST

Phone Number: (507) 829-3141 Alternate Phone: _____

E-Mail colealtermatt@hotmail.com

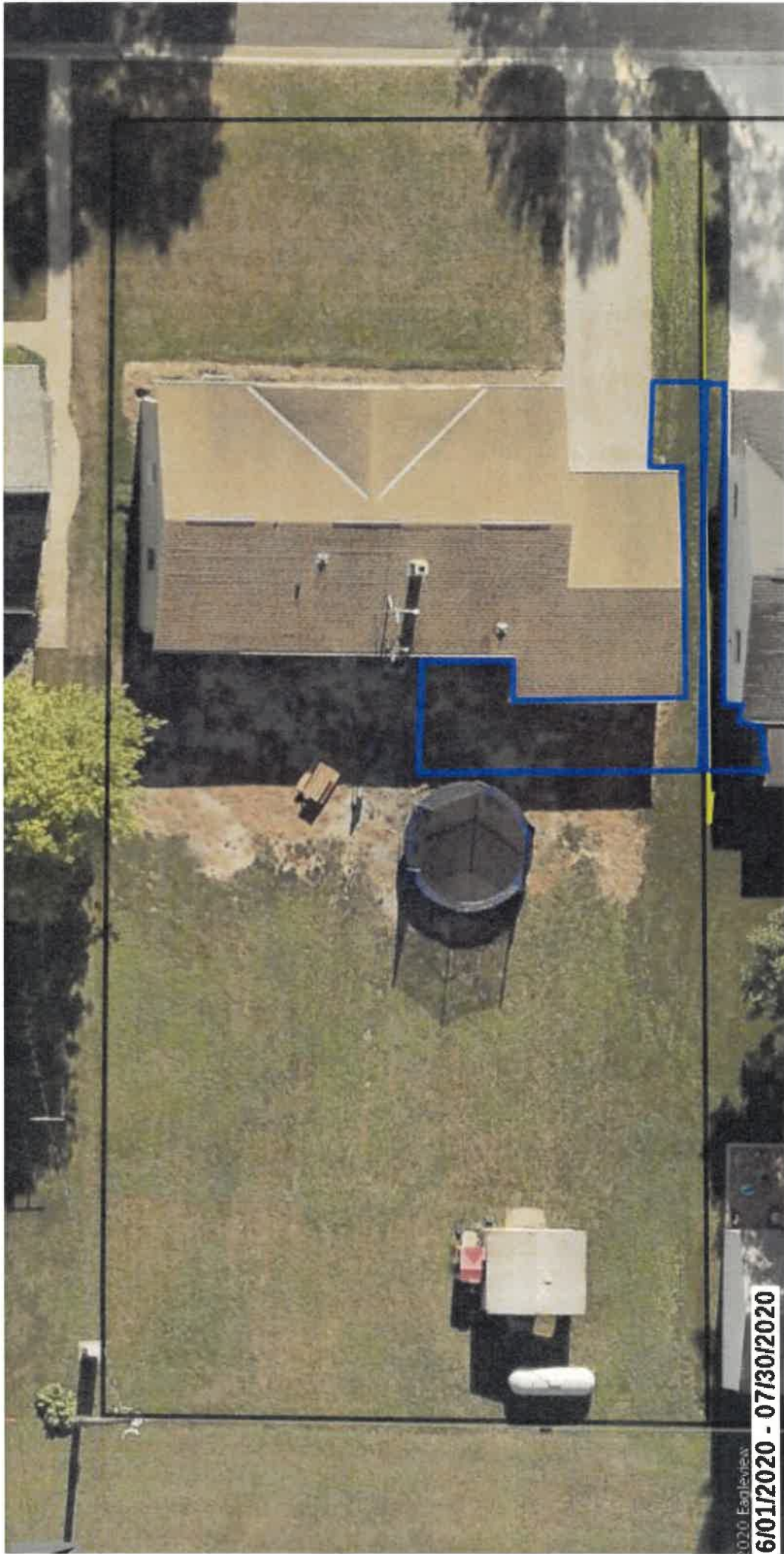
Signature of Property Owner Cole Altermatt

Project Permit Needed For CONCRETE PATIO & SIDEWALK

Estimated Cost of Project: \$1,500.00

Signature of adjoining property owners if project will be closer than 10 feet from side or
back property line

[Signature]



2020 Eagleview
6/01/2020 - 07/30/2020

THIS FORM MUST BE ACCOMPANIED BY OVERHEAD PICTURE OF
PROPERTY WITH PROJECT DRAWN ON IT. THIS IS TO SHOW LOCATION
OF PROJECT RELATIVE TO PROPERTY LINES.

The overhead picture may be obtained through City Office or
Beacon on the Redwood County website or other similar site.

Name: JESSE SCHROEPFER

Address: 687 MAPLE ST

Phone Number: (507) 430-1499 Alternate Phone: _____

E-Mail _____

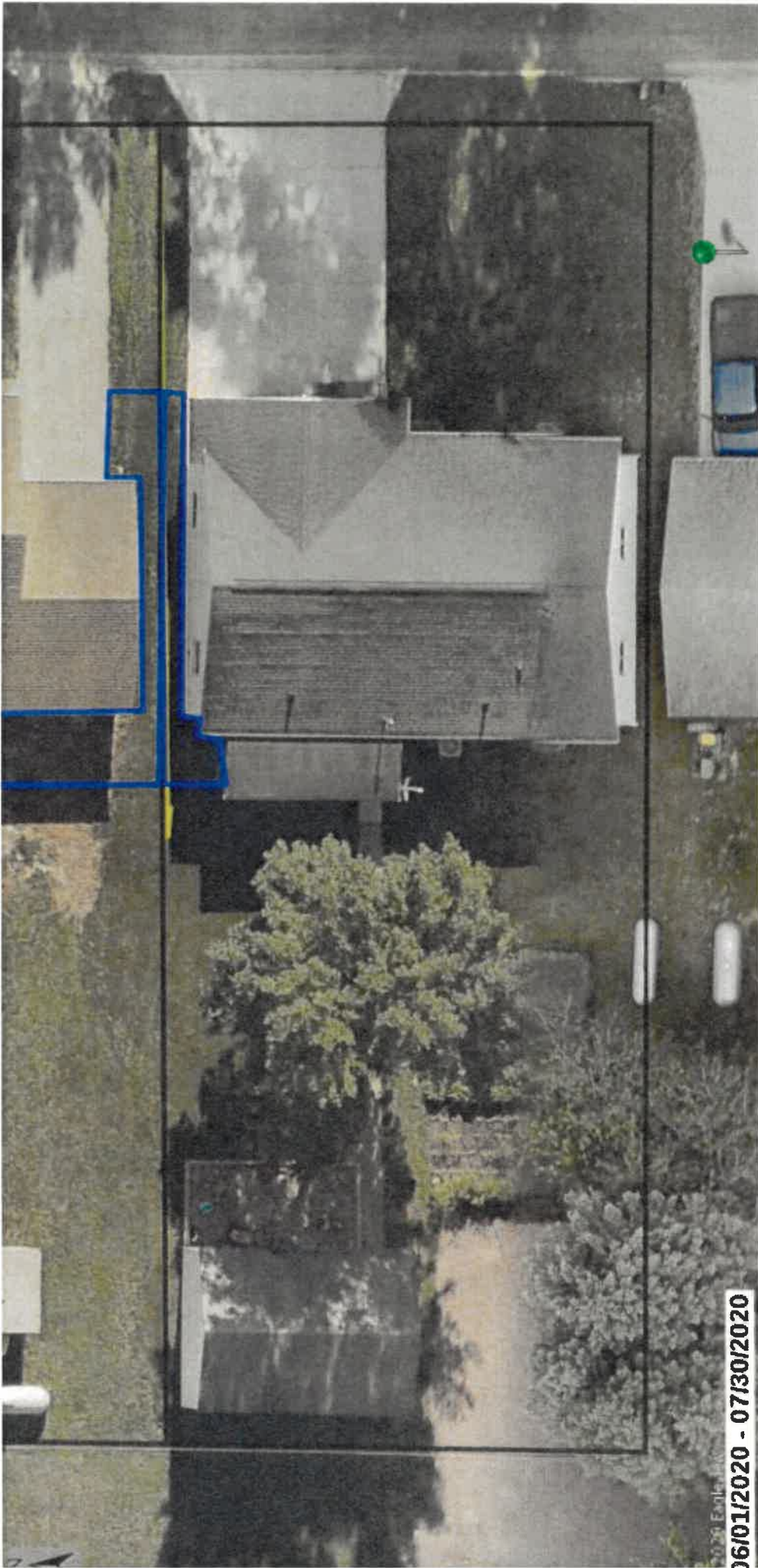
Signature of Property Owner 

Project Permit Needed For CONCRETE SIDEWALK

Estimated Cost of Project: \$200.00

Signature of adjoining property owners if project will be closer than 10 feet from side or
back property line





06/01/2020 - 07/30/2020



Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division (AGED)
444 Cedar Street, Suite 222, St. Paul, MN 55101-5133
Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License

Cities and Counties: You are required by law to complete and sign this form to certify the issuance of the following liquor license types:

- 1) City issued on sale intoxicating and Sunday liquor licenses
- 2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License City of Wabasso License Period From: 07-01-2021 To: 07-01-2022

Circle One: New License License Transfer _____ Suspension Revocation Cancel _____
(former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating Sunday Liquor 3.2% On sale 3.2% Off Sale

Fee(s): On Sale License fee: \$ 900 Sunday License fee: \$ 200 3.2% On Sale fee: \$ _____ 3.2% Off Sale fee: \$ _____

Licensee Name: Wabasso Lions DOB _____ Social Security # _____
(corporation, partnership, LLC, or Individual)

Business Trade Name Wabasso Lions Business Address PO Box 33 City Wabasso

Zip Code 56293 County Redwood Business Phone 507-828-6594 Home Phone _____

Home Address _____ City _____ Licensee's MN Tax ID # 1135916

Licensee's Federal Tax ID # 23-7128168
(To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address
Daniel Fischer	11-14-65	476-94-8766	
Micheal Eichten	02-14-1966	468-88-8970	
Nathan Baune	6-25-85	470-06-1080	

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law?

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: N/A - Sec Attached Policy # _____

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature _____ Date _____
(title)

On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7504, or visit our website at www.dps.state.mn.us.